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SPD LEFT CONTINUES OPPOSITION TO TNF DECISION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 27 Jan 81 p 5

[Article datelined Bonn, 26 Jan, by Claus Gennrich: "Severe Security-Policy Storm Clouds Approaching Bonn From SPD--Actions of the Party's Left Wing"]

[Text] The proposal formulated in a letter addressed to SPD Parliamentary Group Chairman Wehner by 24 SPD Bundestag deputies and aimed at a DM 1 billion reduction in 1981 defense expenditures bluntly makes it clear to the government that storm clouds are gathering within the SPD and that the security policy of the Schmidt/Genscher administration is being questioned. This involves not only the group around Schoefberger, the deputy from Munich. Various shadings among the 50 to 70 left-wing SPD Bundestag deputies are either directly or indirectly turning against the NATO counterarmament decision, which is designed to restore the balance of power in the sphere of theater nuclear weapons in Europe. One is able to note lines of communication extending from the left fringe of the SPD parliamentary group around deputies Thuesing and Hansen to the communist-influenced Deutsche Friedensunion (DFU) [German Peace Union], and joint campaign efforts are noticeable. With respect to the subject of counterarmament, a leftist "Popular-Front Alliance" has been formed in which the DKP is participating in the persons of leading members of the DFU. There is evidence of campaigns running parallel to each other within the SPD on the one hand and within such Popular-Front alliances on the other. This coincidence is welcomed by the communists. Catchwords heard along the perimeter of this development range from "Krefeld" and "Bielefeld" all the way to the "Frankfurter Kreis" [Frankfurt Circle] formed around Bremen Senator Scherf. SPD Bundestag Deputy Karsten Voigt also belongs to this circle.

In mid-November, 800 members of the DFU, the Green movement under the leadership of chairman Petra Kelly, church groups, and Young Democrats participated in a Krefeld forum aimed against the NATO decisions. The speakers included former general Bastian, the DKP functionary Tuemmers and SPD Bundestag Deputy Thuesing. Thuesing attacked FRG Foreign Minister Genscher's speech at the follow-up meeting of the European Security Conference at Madrid. He said that Genscher's statements against the GDR were "not of a peaceful character." Thuesing assured the participants at the forum that it is still worthwhile to place one's bet on the SPD in the Bundestag. The SPD would now have to prove that it is capable of maintaining the peace. Now, he said, is the time for insisting on the importance of peace which it had stressed during the election campaign.

As early as December 1979 at an atomic-rocket protest meeting with the DKP in Duesseldorf, the DFU had carefully prepared itself for the attempt to spread its "alliance policy" within the ranks of the left. In May 1980, DFU functionaries

discussed with the "CDR Peace Council" in East Berlin the question of how the Brussels NATO decision could be foiled by means of certain actions. In July 1980 in Hamburg, members of the DFU, pastors, and evangelical Christians declared themselves to be against the NATO decision, and the DFU prepared documentation concerning it. In the election campaign the DFU staged events jointly with the "Peace Council" of Czechoslovakia. Participating in the Krefeld meeting, which was strongly influenced by the DFU, were also members of the VVN organization [Association of Persecutees of the Nazi Regime], which is classified as being communist and to which also belong Social Democrats such as Judge Duex of Frankfurt, in spite of an SPD irreconcilability resolution in this respect. The DKP newspaper UNSERE ZEIT (UZ) elatedly reported that many hundreds of signatures were affixed to the Krefeld appeal. These signatures included those of Thuening and Hansen.

In Bielefeld on 9 December 1980, Social Democrats Begemann and Pahmeyer made public a letter to the SPD Federal Executive Board and the chancellor which was signed by 150 SPD elected officials--mostly on the local level. In this letter the party leadership was asked "not to jeopardize the policy of detente" and to retract the FRG's concurrence in the dual NATO resolution. In this connection Begemann pointed out that the delegates to the Berlin SPD Party Congress of 1979 had agreed to the counterarmament only with the proviso that disarmament talks would retain political priority. Achievement of satisfactory results in these talks was to make it possible to dispense with the stationing of the American weapons. Another demand, he said, was the immediate ratification of the SALT II agreement by the U.S. Senate. Since President Reagan considers the SALT II agreement to be meaningless, he pointed out, the basis for the Berlin party congress resolution now no longer exists."

Party Base Repeatedly Issuing "Alternative Resolutions"

Begemann, who on 22 January 1981 in the DFU newspaper DEUTSCHE VOLKSZEITUNG sharply attacked Bundestag Vice-President Renger's concurrence in the NATO dual decision, had in November participated in the "Krefeld Forum" as an observer. This Social Democrat now considers "the present debate within the SPD to be a factor of encouragement for the peace movement, which is shaping up also outside the party." Conversely, he says that the Krefeld initiative signified not competition but support for Social Democratic efforts to get the federal government "to accept a security-policy alternative." In local SPD associations and other party groupings, resolutions along the lines of the Bielefeld appeal are continually being passed, he said.

When after the Bundestag elections, the "parliamentary left" of 50 deputies had been formed within the SPD parliamentary group Berlin's new leftist DIE TAGESZEITUNG reported that this grouping--which was also welcomed by the communist UZ--had the task of emphasizing other security-policy aspects and, in so doing, made reference to Karsten Voigt. Some time ago Voigt founded an "initiative for Peace, International Balance and Security," which makes propaganda for attracting leftist liberals and trade unionists. As of more recently, there exists a local West Berlin "Initiative," whose members include Pastor Albertz, the SPD politician Egert and Wolf Biermann.

It was only last week that Voigt had demanded a new debate on the NATO dual decision in the SPD Bundestag group. Chancellor Schmidt had countered the Social Democrats who are objecting to the NATO dual resolution--on counterarmament with TNF weapons accompanied by a simultaneous negotiation offer to Moscow--with a distinct warning that those who challenge this dual resolution are thereby jeopardizing the solidarity of the Atlantic Alliance. He said that this dual resolution is indispensable for the

alliance. It would be unthinkable for the West to fail to react to the accumulation of Soviet SS-20 missiles which is progressing from week to week. Moreover, Washington continues to be ready to negotiate with Moscow. Although FRG Foreign Minister Genscher has repeatedly voiced his serious misgivings about the new SPD debate concerning the NATO resolution and relations with America, the 24 SPD deputies around Schoefberger, feeling assured of more followers to come, have now bared the soft flank of the Bonn coalition with their demand for a reduction in the defense budget. The majority of the parliamentary group as well as the government must recognize that a part of the larger governing party is steering in the opposite direction and is shaping its course for a revision of Bonn's security policy at the latest on the occasion of the SPD Party Congress in early 1982.

This thrust against counterarmament is being flanked by numerous local "initiatives" of the Young Democrats, the Federal Association of Citizens' Initiatives for Environmental Protection, the Young Socialists Protestant youth and, more recently, also the "Pax Christi" Catholic peace Movement. Trade union seminars, social-work colleges, the Greens and citizens' action groups also are participating with the DFU in this campaign. On 7 and 8 February, a nation-wide "Committee for Peace, Disarmament and Cooperation" intends to discuss the status of the signature collection campaign in connection with the Krefeld appeal, the objective of which is 1 million signatures, and to plan coordinated activities for 1981.

On 20 January, the SED central organ NEUES DEUTSCHLAND noted in an editorial that in recent weeks there had been an increase in the FRG "of protests by diverse social forces against realization of the resolution on placing new American medium-range missiles in Western Europe."

8272

CSO: 3103

ADVANTAGE OF LIMITED USSR ATTACK FROM KOLA DOUBTED

Oslo AFTENPOSTEN in Norwegian 23 Jan 81 p 20

[Article by Olav Trygge Storvik]

[Text] "It would be possible to launch a surprise attack in Finnmark with the Soviet forces locally available on the Kola peninsula. But such a limited attack would provide modest military advantages and it is doubtful that this would be worth the risk run by the Soviet Union in the form of countermeasures on the part of NATO," it says in a new chapter of the Norwegian edition of "Military Balance 1980/81," which is being released today.

A more extensive attack to seize the strategically vital areas down to Vestfjord/Ofoten would require bringing in sizable air and land combat reinforcements to the Kola area. This operation would take a lot of manpower and the Soviet Union could not even be sure that it would reach its goal before allied reinforcements arrived, according to this source. A direct assault on central or southern Norway would not be possible before Swedish or NATO defense of exits from the Baltic Sea had been overcome. And the Soviet Union would not have a chance to launch an invasion from the sea against Trondelag before North Norway and probably parts of northern Sweden had been secured as a launching pad and to assure safe overland connections.

The biggest elements of uncertainty in the defense of Norway are whether allied reinforcements will be available and whether they can arrive in time according to the Norwegian edition of "Military Balance" which also includes for the first time a complete overview of the allied reinforcements earmarked for Norway and their training patterns in this country during peacetime.

After the preparations that have now been planned, "Military Balance" estimates that an American naval brigade can be transferred to Norway within 4-6 days without too much need for air transport. The air power involved includes four squadrons from the NATO emergency corps, a Canadian squadron of CF-5 fighter bombers flown across the Atlantic with refueling in the air and an unspecified number of "allied airplane squadrons" for handling air defense, close support and reconnaissance. Fuel, spare parts, ammunition and sanitary materials for these squadrons have been stored at Norwegian air bases.

Soviet Missiles

With regard to Soviet possibilities for stepping up land forces on Kola, "Military Balance" estimates that 12 to 14 divisions could be transferred from the southern part of the Leningrad military district within 10 days. The highways and railroads between the Leningrad area and Kola have the capacity to carry about one division a day. But it also says that a transfer of this size would involve the risk of betraying its purpose and touching off emergency moves on NATO's part.

The Soviet nuclear weapons on Kola include two bases for medium-range missiles with a total of 10 launching ramps for the SS-5 Skean which has a range of 4000 km. In addition the Frog 7 missile is part of the two Soviet divisions on Kola and a separate missile brigade is equipped with the SS-1, Scud B. An air defense regiment has been equipped with the SA-4, Ganef. "Military Balance" says these nuclear weapons can be used only within the area of northern Europe and that it is probable that the SS-5 will be replaced by the Eurostrategic SS-20 missile which is mobile and has a greater range.

The Norwegian edition of "Military Balance" is published by the Norwegian Atlantic Ocean Committee.

6578

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STATOIL SEEN BECOMING 'STATE WITHIN A STATE'

Company Becoming 'Giant'

Oslo NORGES HANDELS OG SJOFARTSTIDENDE in Norwegian 27 Jan 81, pp 7, 8

[Article by Eric Cameron]

[Text] The cuckoo in the nest is not an uncommon analogy in Norwegian. The idea is familiar to most people: the cuckoo grows much larger than the other birds in the nest and in order to get enough space for itself it pushes them over the edge. The cuckoo's wings must be clipped!

These images are not something I dreamed up myself. They have come up in the public debate over Statoil. Or to borrow another image from the debate, Statoil must be halted in the fledgling stage!

There is an obvious explanation for these images. Statoil is turning into a giant. And not just in the economic sense. Due to its financial strength and its dominant position in the technology sector the company can rule Norwegian oil policy almost singlehandedly.

That is what several of the involved parties and representatives of the political authorities are claiming. There are indications that the position of the company will be reevaluated if there is a change in government this fall.

In a series of three articles, NORGES HANDELS OG SJOFARTSTIDENDE will take a closer look at Statoil's position. Which power positions the company occupies, how deficient the political controls are and what ideas are current with regard to a future reorganization of Statoil.

At the time Statoil was established its purpose was clear. To oversimplify a little, it was to insure that Norwegian oil policy would be shaped by Lovebakken--not by Texas. The state had two major needs. First it needed a company that could operatively take care of the oil turned over to the state in the form of royalties. And second there was a need to build up a company that through operative activity could gain access to the relevant expertise in technology and oil extraction and that could advise the state and its organs on these matters. It was implicit in this concept that Statoil would have a flying start compared with other Norwegian companies planning to take part in oil activities.

In the earliest concessions granted to portions of the Norwegian continental shelf the state had either a "carried interest" agreement or a "net profit" arrangement. Carried interest means that as soon as a find is made the state steps in on an equal footing with the other participants without having to pay its share of exploration costs. "Net profit" insures the state of a certain percentage of revenues on the same terms. A Storting resolution dated 26 May 1973 turned these rights over to Statoil--free of charge. Needless to say these rights represent large sums of money and considerable potential for future income.

Later concession policy was based on several participants for each block assigned. Statoil has the privilege of participating in each block assignment with an ownership share of at least 50 percent. This advantage is also something the company has at the expense of other Norwegian participants. This is of relatively little interest to the foreign companies concerned from an economic point of view. They know the Norwegian state will have its revenues regardless. Whether this occurs through direct taxation or through giving Statoil a certain ownership percentage the result is the same. For the Norwegian companies the picture is somewhat different. When Norsk Hydro for example operates block 31/4 with a share of 15 percent and Statoil gets 50 percent it is clear that Statoil is being favored inordinately compared with other Norwegian industries. In practice, taxation authority is delegated to the company.

It can be somewhat complicated to estimate how many assets have been transferred to Statoil in this context. If we start with an annual gas and oil production of 90 million tons of oil equivalent--the ceiling set by the authorities--of which Statoil has an average ownership share of 55 percent after deducting a 10 percent royalty to the state the gross annual income is close to 70 billion 1980 kroner. If construction costs are estimated at a third of this the working income is roughly 45 billion kroner for reinvestment, fund payments, taxes and profits.

If we assume that the state's share of the income corresponds to roughly 40 percent of the 55 percent total share held by Statoil, the "taxable income" part of the working income is around 35 billion a year. This means in other words that the total value of the "special benefits" assigned to Statoil can be estimated at between 200 and 300 billion kroner if the assets are seen as a money deposit at an annual interest rate of 13 percent. This corresponds to almost 1 year of the Norwegian Gross National Product. And these assets have been transferred to Statoil free of charge.

Shares Up to 80 Percent

Another undeniable advantage Statoil has in comparison with other Norwegian companies is the sliding scale the company has a right to. If oil is found the company's share can be increased beyond 50 percent. Under the latest agreement the share could go up toward 80 percent, as happened in block 30/6. This right was also assigned to Statoil without any kind of economic reimbursement.

But along with this, Statoil does not have to pay its share of exploration costs--whether the hole is dry or a find is made. The only exception to this basic rule is when other Norwegian companies share the block. Due to what the Labor Party

might regard as a job accident in Storting Norwegian participants are allowed to charge Statoil for some of the exploration costs. The principle of "half a load" was adopted, in other words the Norwegian partners pay one and a half times their exploration expenses.

Royalty Oil and Gas

For compensation--the so-called price norm--Statoil is assigned all the state's royalty oil and gas. This then is not an economic windfall in the sense that Statoil gets these resources for nothing. But there are other advantages to the transfer--at the very least Statoil is able to influence developments for the other Norwegian oil companies. They must apply to Statoil--with whom they are in competition--if they want access to this oil and gas. For instance Hydro will have a shortage of crude oil for its Mongstad refinery starting in 1983 and it will have a shortage of liquid gas starting in 1985. Hydro has therefore asked if it can make purchases from Statoil. Apparently there is no doubt that Hydro will get the gas and oil. But there is a fundamental difference between negotiating with the state and negotiating with Statoil. Questions to be cleared up include the length of the agreement, prices and other delivery conditions. In reality this means that Statoil has a stronger bargaining position than the two other Norwegian companies, Hydro and Saga, due to its monopoly on the royalty oil and gas.

Guaranteed Financing

Another thing that separates Statoil from the other Norwegian companies in the North Sea is the very favorable financing arrangement the company enjoys. One can of course argue that it would hardly have been possible to build up Statoil if the company had not started out with considerable assistance and injections from the state which after all does own 100 percent of the shares. Quite another question is how long this special advantage should be maintained. The fact is that today the state guarantees all loans taken out by Statoil and with the backing of the Norwegian nation Statoil is probably able to negotiate extremely good terms for itself. This kind of financing activity is expressed in practice as it was in the widely-discussed Norol case. Here Statoil had at its disposal both the state bargaining apparatus and the treasury which helped the company to expand in new areas--without draining Statoil's finances.

The purchase of Norwegian Fuel Oil and OK [East Asian Company] formed the basis for setting up a Norwegian distribution apparatus, Norwegian Oil, Inc.--Norol. The company was set up in 1976 with an owner dominance of 71 percent via the Industrial Affairs Ministry. Statoil's share was 15 percent.

The company had a lot of problems. An attempt was made to solve them by selling Norol's share of the Mongstad refinery to Statoil. This was stopped in Storting the first time around. But later permission was granted to establish Norol as a subsidiary to Statoil. This occurred in 1979. The purchase at the beginning of 1976 cost 862 million kroner. In addition Norol received favorable credits of 250 million kroner. In 1978 another 300 million was supplied in responsible loan capital. With the reorganization in 1979 the state had to buy out the minority groups for a total of 85 million kroner. New stock capital for Statoil cost the

public 200 million kroner. This in turn was paid back to the state by Norol as an installment on its debt.

Thus the transaction cost the state a net 1.475 billion kroner. The state now has a share item of 26 percent. With the exchange rate used as the basis for earlier transactions (678) this represents a value of 519 million. This makes the state loss on the transaction 956 million kroner. But the exchange rate of 678 is probably too high. The real value of the share post is less than that. In other words over 1 billion kroner went to provide Statoil with a distribution apparatus for oil products.

Norwegian Goods and Services

One of Statoil's duties is to make sure Norwegian firms have an equal chance along with outside companies of making deliveries to North Sea installations--giving them jobs whenever the Norwegians are competitive in price and quality. Of course it is a good thing that Norwegian industries are guaranteed access to the North Sea in this way. But this system gives Statoil a strong power position. The question is whether Statoil as the extended commercial arm of the state should have this kind of administrative job. Several fundamental objections can be made. Norwegian industries become too dependent on Statoil when the company is so close to being autonomous. This can quell justified criticism. You don't bite the hand that feeds you. The fact that Statoil has such a sovereign opportunity to choose between bids also raises the question of whether the division of jobs among Norwegian businesses is done on a just basis. This point is further emphasized by the fact that Statoil is not subject to the same established rules that insure equality and fairness in other forms of administrative decisions. The company does not have guidelines for this part of its activity. The opportunities for appealing decisions are therefore minimal. Many are sure to remember the dispute over the Statfjord B deck. Statoil's administrative duties in this area are sure to have such consequences--when there are no clear regulations.

Always Present

Finally in this first article on Statoil's power in the oil nation of Norway we must mention the fact that the company participates as an observer in all negotiations conducted by the Oil and Energy Ministry with other oil companies. Through these talks Statoil learns the evaluations of competing companies, which blocks they are looking into, what they know about these blocks, etc. This also gives Statoil an idea of the companies' strategy--an advantage the other companies don't have. Some people have charged that Statoil makes its formal applications after it has gathered this information on the other companies, even after their application date has expired.

Another illustration of Statoil's size both relatively and in comparison with the oil giants of other lands: all in all Statoil has more operator assignments today than any other company on an international basis. This is true even when we compare it to foreign companies like Shell, BP and Esso.

State, Private Interests Conflict

Oslø NORGES HANDELS OG SJOFARTSTIDENDE in Norwegian 28 Jan 81 pp 4, 5

[Article by Eric Cameron]

[Text] "The scope of Statoil's activity depends on the roles assigned to us by the authorities. As a firm we have no influence over such political conditions," the director of Statoil said to AFTENPOSTEN in October 1979.

That should be a good guarantee that Statoil would keep within the boundaries drawn up for its activity: to be the state's operative and consultative company on the Norwegian continental shelf.

However this picture does not correspond with the reality. We will here see in detail that Statoil has a great influence on the oil policy line pursued and that to a large extent the company is exempt from the public controls many people believe are exerted over it by Storting and other bodies.

Statoil's controlling and decision-making organs are formally organized in this way: 1. The oil and energy minister is the company's general assembly [as written]. He handles Statoil's basic planning. 2. The Oil and Energy Ministry presents its plans for Statoil each year to Storting which discusses them in the fall session the year before they are to be implemented. 3. The most important plans are presented to the industrial committee which keeps an eye on the firm. 4. The job of the board of directors is to discuss the formation of long-range guidelines within the framework drawn up by the ministry and Storting.

This organization form suggests that Statoil like most other operations is guided and controlled at several levels and that the administration follows the recommendations given.

The reality is probably somewhat different. Let us return to the quoted statement by Arve Johnsen who claimed that Statoil has no political influence. Another quotation suggests the opposite. In Storting Report Number 30, 1973-74, the Bratteli government wrote:

"Naturally Statoil will have an opinion on most policy questions and it follows from the position of the entire company that its evaluations and standpoints must be assigned considerable weight."

This statement places Statoil in the formal role of official adviser. The very fact that the company has a good deal of the responsibility for preparing expert reports for the ministry provides an excellent opportunity to influence the final decisions.

Own Interests First

One must then ask the following question. Statoil finds itself in a dual role. The company operates a regular commercial activity in competition with Norwegian and foreign firms.

At the same time Statoil has an advisory function for the political authorities which gives the company considerable influence. Which area does Statoil give top priority--its nonpartisan research activity or the company's relationship with its competitors? We won't be far off if we assume that Statoil cannot free itself from the competitive situation. The firm lives its own life--its goal is and will be to do its very best commercially--ergo, in its dual role Statoil will give its own interests a higher priority.

There are plenty of examples to show that Statoil has functioned that way quite openly. And some that also emphasize the ability of the company to influence oil policy developments in its own favor. Statoil director Arve Johnsen was the first to speak out publicly on excluding the newly-formed people's stock companies from the North Sea. This happened in Harstad in 1973. He said we should not have more than three oil circles in this country and that Statoil should be expanded to become the largest of them.

Right after that the government made a move on the same issue, backing the very same point of view.

Another example of Statoil's inability to avoid maintaining oil policy arguments is the speech made by Arve Johnsen to the Polytechnical Society in 1974 in which he said that Statoil should build up its own marketing apparatus, that the state should play a major role in drilling north of the 62d parallel, that Statoil should play an important role in connection with the planned petrochemical industry in Rafnes and that it would be a sensible national disposition of the revenues from the Ekofisk field to plow them back into the oil industry via Statoil.

It was also a political statement when he told AFTENPOSTEN in October 1979: "There will be less room for foreign companies who want to own oil. The oil will increasingly be owned by national companies, especially by the state's own company, Statoil."

Professor Thomas Christian Wyller has clearly considered this question. He wrote in ARBEIDERBLADET on 5 and 6 January 1975:

"Both direction and control depend primarily on relations between the cabinet and Statoil: Storting plays second violin.

"Formally the government dominates the resources. In reality Statoil will be the most important provider of oil policy premises....The government's political apparatus is not constructed to master this task.

"Statoil will quickly reach dimensions previously unknown in Norwegian business life. It goes without saying that it will dominate our oil economy and influence all oil policy decisions.

"Statoil represents a further step in the construction of Norwegian state capitalism....Even those who support state economic planning in principle should get cold feet when they confront the future dimensions of Statoil."

There is much to indicate that Wyller's predictions are well on their way to fulfillment. Take his assessment of Storting's role in this picture. Second violin is the expression he used.

Paragraph 10 Plans

The main contact Storting has with Statoil occurs in the debate based on the plan Statoil submits to Storting covering its own activity in the coming year. This is called the Paragraph 10 Plan due to its position in the company by-laws.

The first of these plans was quite summary in nature. This was criticized by the opposition parties. Eventually the plans became more comprehensive but not comprehensive enough.

This was the view of Conservative, Christian People's Party and Center representatives of the opportunities for guidance during the debate of the 1981 plan:

"Even though the Paragraph 10 report now gives Storting some insight into the profitability of projects already begun it is still a poor instrument for use in planning Statoil's future activity and determining reinvestments.

"This can be seen from the fact that the 1980 Paragraph 10 Plan did not contain a single word about Statoil's plans for bringing the Statfjord gas ashore at Karsto and the establishment of industry there...and it says nothing about possible Statoil involvement in the distribution of petroleum products in Sweden.

"How little up to date the Paragraph 10 plan is at the time of the Storting debate and how limited Storting control over it can be is further illustrated by a letter from Statoil which the Oil and Energy Ministry has turned over to the committee which contains the first brief report that Statoil is negotiating for a marketing involvement in Sweden. Neither the committee nor Storting had any opportunity to evaluate such an expansion of the company's sphere of activity which would mark the first time the company has involved itself to any extent outside the borders of this country.

"Thus the Paragraph 10 Plan does not prevent Statoil from doing extensive planning, conducting negotiations and making preliminary plans without the approval of Storting."

Board's Role

The same conflict of loyalties Statoil itself has in its dual position as public adviser and commercially active firm also affects some of the members of the board. Storting representative Aksel Possen has made it clear several times that he does not regard his role as that of Storting's man on the Statoil board, he feels he is acting as a private citizen in that function. Ole Myrvoll and Egil Aarvik (the latter as chairman of the industrial committee) have several times gone against their own parties' standpoints in Storting when there has been a debate on Statoil issues there.

If one goes against the mainstream on the board it can also have consequences. Board alternate Professor Hans Jacob Heiberg publicly criticized aspects of

Norwegian oil policy in 1976. Among other things he said that the Statoil board did not have a satisfactory basis for its decisions on the Statfjord expansion, something he also said at the company's board meeting. This led to a dust-up on the board and Heiberg received a reprimand. There are other examples suggesting that those with deviant views are looked on with some disfavor. Of course one can't be sure but similar motives may lie behind the replacement of board members Hvidkun Hveding and Per Hansen when Finn Lied succeeded Jens Christian Hauge as board chairman in 1975. A year earlier in a reservation to Storting Report 30, presented in 1974, these two had pointed to the company's dual function and the fact that the firm's commercial activity would be of great importance to the Norwegian economy and its industrial policy. Another obvious fact in this context is that Statoil's board chairmen and administrative directors have always been leading Labor Party figures, either former cabinet members or former undersecretaries.

Oil Directorate

The job of this directorate is to oversee all the oil companies--including Statoil. They must abide by the rules and the directorate must make sure that all resources are utilized as well as possible. The directorate must also plan over-all activities.

Statoil's "superiority" to the directorate can be found on two levels--the purely economic one and the clearly political one.

Statoil's dual role really comes out on the political level. As the state's "commercial instrument" and preparer of reports Statoil has clear and easy access to the Oil and Energy Ministry and to the government. In practice it has easier access than the directorate.

Statoil's special status with the political leadership means that in reality the company reports directly to the Oil and Energy Ministry--instead of going through the Oil Directorate as the other oil companies do. This actually means that the directorate must go to the ministry for information on Statoil.

One illustration of this is in the announcement of finds. This is the job of the directorate. In the fall of 1980 Statoil published finds before the directorate had given its approval.

Economically too Statoil's position is much stronger than the directorate's and this gives it greater clout too. For example the head of the Oil Directorate earns 100,000 kroner less than the director of the company he is supposed to control. Thus the directorate's wage scale means it loses out in the competition for personnel. While there are many applicants for Statoil jobs the directorate has had to hire civil engineers right out of school as section leaders. The attrition rate matches, 30-40 percent a year. Many go on to Statoil.

Today Statoil has around 1000 employees and by its own estimate it will have close to 6000 10 years from now. The Oil Directorate has 250 employees now and who knows how many there will be in 10 years to supervise Statoil activities.

Also in the area of technology Statoil has an economic advantage. The company is currently much better equipped than the ministry to acquire advanced technology to support its own views and arguments.

Ministry

The Oil and Energy Ministry also seems unable to exert firm control. Here too there are several explanations. The vaguest arguments are found on the practical and ideological side. Presumably Statoil and the ministry have a number of common interests: an expanding oil activity and a substantial role for Statoil in this picture. One must assume that ideologically the leaders of the ministry and of Statoil are on the same wave length. Even if we ignore this the possibilities for good contacts are present. One can see the same thing in other relationships, the Ministry of Industrial Affairs and state industries, the Agricultural Ministry and the farm organizations.

If this is not the case practical economic conditions also enter in here. The ministry has little expertise in comparison with the Statoil staff. As we said Statoil has around 1000 employees--the ministry has around 30 experts working on oil questions. As far as we know none of them has Statoil as his only area of concentration. And no separate Statoil office has been set up either as the opposition parties suggested in Storting several years ago.

In other words to a large extent the ministry depends on the advice given by Statoil and on the expertise made available to the ministry by the company. Statoil's dominant role lends greater weight to that company's arguments than to those of any other oil company--partly because the contacts are so well-developed and partly because other companies will hesitate to go against Statoil in view of that company's dominant position. A fundamental and fortunate example in the opposite direction is the objections raised by Hydro to the landing site for the Statfjord gas.

The impression of close ties and dependency is reinforced by the fact that the ministry has gone very seldom--if ever--against the wishes of Statoil. A striking example is the distribution of blocks in the fourth round of concessions. Statoil became the operator of the three most interesting blocks. Hydro and Saga were given one less interesting block apiece. Another remarkable point was that the ministry--at least on the professional level--wanted to distribute the blocks more evenly among the Norwegian companies. But the political leadership had its way. This was undoubtedly in accordance with Statoil's wishes.

The National Accounting Office probably has little real opportunity to check Statoil's accounts carefully. Firms of Statoil's type with several affiliates and subsidiaries represent so large a work burden that the office is unequal to the task. The ministry's disbursements with respect to Statoil are probably the only area where the National Accounting Office can exert its authority and do its job properly. Internal conditions at Statoil probably remain largely untouched.

HELSINKI WORLD PEACE CONFERENCE HITS AFGHAN INVASION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 26 Jan 81 p 5

[Article datelined Stockholm, 25 January, by W. A.: "Moscow Unsuccessful in Helsinki"]

[Text] A "World Youth Forum for Peace, Detente and Disarmament," under the auspices of President Kekkonen, ended last weekend in Helsinki with the demand that all foreign troops withdraw from Afghanistan. The meeting, which was attended by about 500 delegates from 90 countries--and at which the delegates from the Soviet Union, who were by no means young anymore, wanted to be thought of as the representatives of the greatest "peace power",--was characterized by open and critical discussions that gave the Eastern participants a surprise that was as evident as it was unpleasant. Representatives of political and Christian organizations from both the West and the Third World continually raised questions of the persecution of Soviet dissidents and the occupation of Afghanistan. When the Moscow group tried to counter with a communist delegate from Afghanistan who dutifully raged against "American imperialism" and against "Chinese hegemony," the forum insisted more than ever on expressing its "deep concern" about the situation in Afghanistan and on denouncing the occupation.

The only notable success achieved by the Soviet Union during the one-week meeting was the exclusion of a female representative of the Christian Union of Latvia who lives in Sweden and who wanted to remind the forum in writing of the forced annexation of the Baltic states by the Soviet Union. The conference leadership, including the international parent organization of the Young Men's Christian Association (YMCA), found such a step to be "inappropriate" and excluded the Swedish woman of Latvian heritage. Besides this, Israeli youth organizations were not invited, although the forum that had mainly been initiated by the East did not in any way then become a sounding-board for Soviet propaganda.

The delegates from Moscow had difficulties even with their Finnish hosts. The Soviet Union especially wanted to use the meeting to make a bilateral agreement with the Finnish youth organization for closer cooperation, without, however--as has been the custom between the two countries up to now on a governmental level--including a definite reference to the "neutrality policy" of the Eastern superpower's small neighbor.

BRIEFS

ICELAND GRANTS GREENLAND AID--Iceland's Althing (parliament) has enacted legislation, introduced by a former minister of fisheries, that provides for substantial appropriations to establish a so-called Greenland Fund. The intent is to finance technical aid for this country's nearest neighbour, and to promote cultural exchanges between the two nations. The fund is to seek additional contributions from private Icelandic sources. It is to be inflation-indexed and will be administered by the Central Bank in Reykjavik. In a way, the fund is being set up as a congratulatory gesture. After a plebiscite two years ago, the world's largest island was granted home rule by Denmark--a development paralleling a milestone reached by Iceland in 1904. [Excerpt] [Reykjavik NEWS FROM ICELAND in English Feb 81 p 5]

CSO: 3120

LYSSARIDIS LAUNCHES ATTACK ON WALDHEIM

Nicosia THE CYPRUS WEEKLY in English 6-12 Feb 81 p 3

[Text]

Dr Vassos Lyssarides, the socialist party leader, has lashed out at UN Secretary-General Mr Kurt Waldheim, for his stand on the Cyprus issue.

'Waldheim has not played a correct role', Lyssarides declared at a press conference this week. He branded the current round of intercommunal talks a 'parody' and strongly denounced efforts to link the resettlement of Varosha with the re-opening of Nicosia International Airport.

Waldheim should have turned to Turkey in the first place, Lyssarides argued, to demand that she comply with UN decisions calling for withdrawal of Turkish troops from Cyprus.

If Turkey refused, then Waldheim should report such a refusal to the United Nations.

Debate

Dr Lyssarides strongly complained about the deferment of the Cyprus debate in the UN General Assembly while a 'pseudo dialogue' was going on. He put the blame squarely on the Cyprus government for this and did not believe that a request

for a postponement of the debate had come from the non-aligned 'contact group'.

If Waldheim asked for such a postponement, we should have rejected his suggestion', Lyssarides told a questioner.

The Edeok Party leader, who believes in continuous efforts to 'internationalise' the Cyprus problem, complained that an important General Assembly resolution passed in 1979 had been allowed to be 'frozen'.

'Disastrous'

This provided that if by March 1980 no progress was achieved in the intercommunal talks, a committee of UN member states would be set up by the Assembly to help in the implementation of UN resolutions on Cyprus.

'This date was allowed to lapse, without any action being taken in accordance with the Assembly decision', he remarked.

Dr Lyssarides insisted that the 'plan' to link Varosha with a possible reopening of Nicosia Airport was 'disastrous'. He claimed that it was originally discussed by foreign Minister Mr Nicos Rolandis and Mr Waldheim a year ago, without the National Council being informed about it.

Proposals

"If we agree to the reopening of Nicosia Airport under United Nations control, it would mean legalising the movement of trade and tourists to the occupied areas. We would thus become the first government to recognise two separate entities in our own country".

He said the Turkish proposals presented at the talks were 'worse than those submitted in 1970 and which Waldheim himself had described then as unacceptable'.

The policy of continuous concessions by the Greek Cypriots must stop, Dr Lyssarides declared, calling on his supporters to work to make the party (Edek) 'a strong popular movement that will be able to block the trend towards gradual legalisation of the facts accomplished by the occupation'.

Edek held its own party congress in Nicosia on Sunday to prepare its cadres for the election campaign. The main speakers were Dr Lyssarides, the party's general secretary Mr Takis Hadjidenitrou, another Edek deputy Mr Doros Theodorou,

The forthcoming parliamentary elections will "shock many people", Dr Lyssarides said at his press conference.

He would not say how many seats his party hoped to gain but declared: "I am sure many myths will be exploded. Everyone talks about percentages. We will leave it to the people to decide".

In an opinion poll conducted late last year, Edek fared rather poorly, with only 4 per cent of those interviewed saying they would vote for the Lyssarides party.

'First real test'

But Lyssarides appeared confident his party would emerge "very strong" from the elections, which he described as "the first real test of the strength of political parties in Cyprus".

The socialist party chief insisted that the elections should be held in July or August, as provided under the Constitution, or, if there is

and Press secretary Mr Renos Prentzas.

Dr Lyssarides believes that the forthcoming elections will determine the future course of developments in the Cyprus problem. 'We are at a cross-roads, and the way the people choose will determine the future of our people', he said.

He maintained that the policy of continuous concessions (by the Greek Cypriot side) has in fact strengthened Turkey's position while the Cyprus deadlock persists.

New attack

The Edek Party leader stressed that he was in favour of real substantive talks. He rejected charges by his opponents that he stood for war.

He argued that it was the policy of others - having meaningless talks and gradually accepting the facts accomplished - that would encourage Turkey to launch a new attack and provoke more bloodshed.

"On the contrary, our policy precludes such a course, and leads to a peaceful settlement, it would force Turkey to abandon its de-

signs on Cyprus and come to the negotiating table for real talks, not to impose a solution but to negotiate one".

Dr Lyssarides believes that Turkey's aim, after legalising its hold in the North, is to move to occupy the whole of Cyprus. So if Cyprus follows the "correct" foreign policy and secures good defences through the mobilisation of the people and economic resources, "we shall foil Turkey's designs and make its bid to occupy the whole of Cyprus a dangerous endeavour".

'Bankrupt'

Edek's line is "the only one that can break the present deadlock" and lead to a solution safeguarding basic principles - the unity and territorial integrity of the country and termination of all foreign military presence.

He said: "The policy of continuous concessions has gone bankrupt. The country needs a change, and this can be provided by Edek which offers an alternative course."

"The defeatists must be left aside. The forces that believe in national salvation must now take over".

to be an early poll because of the present "anomaly" in the House, this should take place in "late April or early May", as soon as technical preparations allow it".

He confirmed that his party, which has four members in the House, will vote against the ordinary and development Budgets later this month, in protest against the government's economic policies.

Dr Lyssarides also complained about CBC's coverage of party activities and speeches.

Distortion of news

He said: "If a government Minister sneezes it's first item on the news, if something really important happens in another camp, it's mentioned only briefly at the end of the news, if reported at all".

If this "unacceptable distortion" of news continued, Edek would call on the people to "react", he declared.

RELATIONS WITH EEC 'DEPEND ON THOSE AT HOME'

Nicosia THE CYPRUS WEEKLY in English 6-12 Feb 81 p 28

[Text]

Prospects of an eventual customs union between Cyprus and the European Economic Community depend greatly on the prevailing political situation on the island, and in any case could not be envisaged before 1983, the Dutch Finance Minister, Fons van der Stee, declared when he visited the island this week.

It was also far too early to say whether the EEC would undertake any initiative to help settle the Cyprus problem, the Dutch Minister told the Cyprus Weekly in an exclusive interview.

Before leaving the island, however, Mr van der Stee said he would see to it that his government supports Cyprus within the European Community, especially in the field of agricultural exports. Asked for concrete suggestions about this support, the Minister said that items for possible export included oranges, cigarettes, potatoes and sherry.

Hostile

Usually the EEC is very hostile towards initiatives in the agricultural field, Mr van

der Stee said the Community needs to take a new approach on this. However, he added that a solution to enable the export to the EEC of Cyprus oranges might be found by including Cyprus in special citrus fruit agreements of the EEC.

Sherry posed other problems. Mr. van der Stee said that a lot of money needs to be spent on advertising in order to penetrate a new market, and it must be taken into account that the amount of Cyprus sherry available for export to the EEC is very small — a million litres. A relatively small country like Holland already imports about 20 million litres of sherry a year.

Tourism

Trade between Holland and Cyprus is not high. Exports are minimal, imports even less, but neither country is unhappy with the present situation.

The Cypriot authorities have expressed the hope, Mr van der Stee said, that more tourists would come to the island from Holland. And although the Dutch Finance Minister shared this hope, he did not share the Cypriot expectation that KLM, the national Dutch airline, would soon be resuming direct flights here.

He denied that the main purpose of his visit was to renegotiate with the Cyprus government a tax agreement allowing Dutch companies conducting business in the Middle-East to pay taxes in Cyprus rather than in Holland.

Taxes

This arrangement allows the Dutch companies to pay only five per cent of their profits in taxes to Cyprus, instead of the considerably higher rate they would be required to pay at home.

This arrangement has come under strong criticism in the Dutch Press, which has attacked the government for providing a window for tax dodgers. Dutch businessmen in Cyprus who feared that Mr van der Stee's visit would shut this window were relieved to hear of his denial.

Mr van der Stee was the first Dutch Minister ever to visit the island. He said the basic reason for his visit was to confer with the Cyprus government on matters related to the International Monetary Fund. The two countries belong to the same sub-grouping of this organisation and are represented on its board by a Director who must vote in accordance with the wishes of all the members of the group. This demands frequent consultations, Mr van der Stee explained.

ASSOCIATION WITH EEC DESIRED

Nicosia CYPRUS BULLETIN in English 14 Feb 81 p 4

[Text] Cyprus, like many other countries, takes keen interest in the European Economic Community, the Minister of Commerce and Industry, Mr Constantinos Kittis, said on February 4.

The Minister who was speaking at the Rotary Club of Limassol stated that apart from the economic importance attached to the EEC today, Cyprus had an additional reason why it wished to be associated with the Community.

The reason, Mr Kittis said, was that the United Kingdom, which was the traditional market and the major buyer of Cypriot agricultural and manufactured goods, had joined the Common Market.

Prior to 1973, Cyprus products imported to the U.K. enjoyed preferential treatment because of its Commonwealth membership.

"Since Britain joined the EEC, Cyprus was bound to lose this preferential treatment and the effects on the economy of the island would have been detrimental", he said.

Therefore Cyprus signed an Association Agreement with the EEC in December 1972 after several months of negotiations. Following that Cyprus decided to proceed with a Customs Union Agreement.

This agreement, the Minister of Commerce said "when fully imple-

mented, will allow duty-free movement of goods which will enable our products to be exported to the Community without restrictions".

He pointed out, however, that Cyprus will at the same time have to adopt the Common Customs Tariff which will be applied to imports from the non-EEC countries.

As the Minister explained the Association Agreement provided for a Customs Union in two stages. Stage I commenced in December 72 and expired in June 30 1977.

On September 15, 1979 an additional protocol was signed which extended the first stage until December 79.

The efforts to move to the second stage of the Association Agreement made in May 1979 did not materialise mainly as a result of the differences between member-states on the Mediterranean policy and the Common Agricultural policy of the Community. Thus the first stage was again extended until 31st December 1980, he said.

On November 24, 1980 the Association Council decided to move into stage II of the Association Agreement as of January 1, 1981, and defined the process for the transition to Customs Union in three periods: 1981, 1982—1983, 1984 onwards.

ANALYSIS, STATISTICS ON EDUCATION PUBLISHED

Nicosia CYPRUS BULLETIN in English 7 Feb 81 pp 2, 3

[Text]

Thirty-five years ago about 67% of the population was literate and a mere 8.6% had completed secondary school. Since then the educational level has climbed steadily. Illiteracy has been wiped out among the younger generations and the vast majority stay on at school till the age of 18. In 1979—80 95% of total primary school leavers continued their schooling in secondary schools and 73% of pupils who had enrolled in the first form went on to complete secondary education. What is more about 40% of secondary school leavers take up higher education either at home or abroad and Cyprus at present ranks third after the U.S.A. and Canada in number of students per thousand population.

After centuries of foreign domination Cyprus emerged in 1960 as an independent state with ambitions to join the ranks of the more prosperous countries. This, therefore, put a premium on education as a means to progress.

The Government itself has worked unceasingly in the interests of education and has made a substantial contribution in this field. Today all children receive free education until the third form of secondary school while fees for the second three-year cycle are quite low.

Moreover, education is completely free for all students attending technical schools and as President Kyprianou said during a visit to the Ministry of Education on January 27, the Government's ultimate aim is the provision of free education for all students.

The first three-year cycle offers uniform general education to all children. At the second cycle, education is diversified into the arts, science, commercial and technical—vocational sections. Since 1977 a system of electives has been experimentally introduced in a number of secondary schools, so that students have a chance to specialize in subjects of their choosing.

The introduction of state examinations for school leavers is currently being studied in consultation with a foreign expert. These examinations will be of different levels, depending on the type of qualifications a student requires. They will primarily make them eligible for entrance into university, the Civil Service, the Higher Technical Institute, the Paedagogical Academy, or Semi-State Organisations.

Adult education is extensively provided by the Evening Cultural Centres and the nine Institutes of Foreign Languages as well as the Evening Classes run by Technical

schools financed by the Government whilst a number of private Institutes offer courses in foreign languages and other subjects. Evening Secondary Schools for Adults provide opportunities to working people who have been able to complete their secondary education to do so.

The Government also caters for the needs of mentally and physically handicapped children. There are fully equipped schools for trainable children, the blind and the deaf.

The Turkish invasion, however, had a disastrous effect on education. A total of 202 (about 32%) schools and learning centres were lost to the Turks and a further 26 (4%) educational facilities along the buffer zone were unable to function. Over 50% of special schools for the handicapped were in the occupied area and consequently became inaccessible.

Displaced school children were taught under trees or in tents. Schools also operated on a double-shift basis — morning and afternoon — to cope with the large influx of refugee pupils. Soon a programme was laid down for the construction of new schools and intensive work in this respect is still continuing. Existing school buildings have also been extended and abandoned Turkish Cypriot schools have been taken over. A new school for the deaf has also been constructed as well as the new Lambousa Reform School and two schools for trainable children.

Apart from the projects envisaged in the Government's education

programme there are also plans to build and equip special schools for handicapped children with funds from the Greek communities in the U.S.A. and Australia.

Meanwhile, the Government provides financial assistance to meet displaced pupils' transport expenses, and almost all refugee children at the second cycle of secondary education are exempted from paying school fees.

The major part of the educational costs is borne by the Government. Foreign aid in the educational field amounted to only about 3% of the total state budget for education. During the school year 1978—1979 the whole expenditure on public and private education at all levels was C£35.1 million which represented 5.3% of G.N.P. Public expenditure on education the same year was C£20 million representing 3.2% of the G.N.P. and 13.3% of the budget.

Although the budget has been burdened with massive additional costs since the invasion, it is felt that the establishment of a university is essential in Cyprus as this would advance the social, educational and cultural opportunities and enable students to pursue their studies at home instead of having to go abroad, which is a costly business. The Government will soon push ahead with plans to set up a university in Cyprus with the assistance of UNESCO. Cyprus at present, however, does offer some third level education at the Paedagogical Academy (Teacher's Training College), the Forestry College, the School for Nurses and Midwives, the Higher Technical Institute, the Hotel and Catering Institute, and the Mediterranean Institute of Management.

BRIEFS

TOURISM WITH SCANDINAVIA--Vingresor, the charter tours subsidiary of the Scandinavian Airlines SAS, plans to double the number of tourists it flew to Cyprus last year, planning and production manager Lennart Pellvik declared in Nicosia. Represented in Cyprus by the enterprising Aeolos Cyprus Travel Bureau, headed by Andreas Rossos, Vingresor flew 7,000 tourists, mostly Swedes to the island in 1980. "This year we expect to raise that number to at least 14,000" Mr. Pellvik said. In addition, his company is looking into the possibilities of extending their "Club 33" project to Cyprus where holidaying conditions are still ideal and prices reasonably low compared to other parts of Europe and the Mediterranean. Mr Pellvik explained that "Club 33" is similar to Club Mediterranee, but for young people in the 18-33 age group. Cyprus is quite high in the list of possibilities that the company is considering, he said. But Mr Pellvik also had some sharp criticism of the island and its facilities. The Cyprus Tourism Organisation must make an effort of looking after the beaches much better than it is doing now, he said, and called for "a much better road network". He also warned against overpricing and an accommodation rush. "Do not rush to open more and more hotels unless you are fully satisfied that they are completely finished, and beware of overpricing. You can only attract a steady return of visitors if your service, your accommodation and your prices are competitive". [Text] [Nicosia THE CYPRUS WEEKLY in English 13-19 Feb 81 p 3]

CSO: 4920

CONSERVATIVE ORGAN LAUDS NEW TAX MINISTER LYKKETOFT

Copenhagen BERLINGSKE TIDENDE in Danish 24 Jan 81 p 6

[Editorial]

[Text] It is an advantage that the country has acquired in political scientist Mogens Lykketoft a tax minister with a reasonable insight into the problems of tax policy. We can at least expect the new tax minister to listen to the advice of tax experts instead of throwing himself into the kind of hazardous ventures his predecessor was so fond of. But we must also say that one advantage of having Karl Hjortnaes as tax minister was his ineffectiveness in most areas. This enabled taxpayers to avoid some of the misfortunes the stated Social Democratic tax policy would have otherwise created although the change in property taxes in December 1979 was a serious encroachment in itself. Luckily Mogens Lykketoft's effectiveness as tax minister will depend primarily on political conditions in Folketing. And like not only Karl Hjortnaes but his predecessors Svend Jakobsen and Jens Kampmann as well he will have great difficulty realizing the Social Democratic policy.

For the time being Tax Minister Lykketoft has adopted the sensible position that there is no hurry with regard to new reforms beyond what was already planned, for example in the area of stock taxes. But he could not refrain from referring to the alleged urgency of resolving the interest deduction problems. Thus he helped to maintain the uncertainty concerning the interest deduction arrangement that must be assumed to have had a very repressive effect on the already faltering housing construction sector. This uncertainty had already been fed by the existence of the unfortunate Thorkil Kristensen committee which is supposed to look into everything that has already been fully studied.

The new tax minister is known as a clear advocate for the so-called interest tax system. But the implementation of such a reform would also create sizable problems, as illustrated by the deliberations of the income tax committee. And there is also strong disagreement on this system within the Social Democratic Party. It would be wise of Mogens Lykketoft to tread very carefully, especially in this area.

All in all not many people still believe the Social Democrats want to eliminate deductions, etc. to reduce the tax percentage. All experience shows they will quickly shoot up again and that tax reform is impossible without a thorough reform in public spending.

STEPS BEING TAKEN TO ASSURE RAW MATERIALS SUPPLY

Paris LE NOUVEL ECONOMISTE in French 26 Jan 81 p 60

[Article by Jacqueline Giraud]

[Text] In order to increase the certainty of the French supply of ores, and to make up for the lack of enthusiasm for investing on the part of private operators, the government authorized the BRGM [Geological and Mineral Prospecting Office] in 1978 to create its own exploitation branch, the Coframines, with minority participation by the general company, the BNP [National Bank of Paris], the CFP [French Petroleum Company], and the Cogema. Gold, diamonds, copper, nickel, tin, chrome and phosphate--in 1981, Coframines will make its real debut as a mining operator, characterized by uncommon diversity. "The classic mining companies are more specialized," admits Mr. Robert Diethrich, the BRGM director of mining research and development. "The multiplicity of ores poses technical problems for us. But this alone will allow us to reconcile two somewhat incompatible goals in the present situation--to make profits, while investing in ores which are vital for future supply, although their prices are low."

The profits Coframines makes from its gold mine in Salsigne, in the department of Aude. In conjunction with Penarroya, it must decide soon on the exploitation of a new deposit of about a dozen tons in the Massif Central. In association with the Upper Volta state and Arab financiers, it is beginning this year to equip the Poura mine in Upper Volta, which will produce two tons of gold per year. And it is putting the finishing touches on the financial arrangements which should make possible the exploitation of the Ity mine in the Ivory Coast. Diamonds are another source of rapid profits. In association with the state of Mali and the Cogema, the Coframines will put 15 million into the first exploitation efforts this year in Mali.

Discovery

With its diversity, the Coframines has specialized relatively in the study of complex deposits in which copper, lead and zinc are found in association, which poses special processing problems. The finest feather in its cap, the Portuguese Neves Corvo deposit, in which Coframines shares 49 percent of the stocks with Penarroya, is the most exciting discovery made in Europe in 15 years. Assessed at nearly 700 million francs, the work preliminary to exploitation will be underway this year. In 1985, the mine will produce 60,000 tons of copper, equivalent to a quarter of the current French imports. With a major new discovery in the north of Peru and two projects in Zaire, including that in Tenke-Fungurume, which will henceforth be directed by the Cogema, French mining operators will control more than a third of French copper consumption.

Is it reasonable, however, to invest in Zaire? "Few people do," Mr. Diethrich admits. "But we have many interesting projects there. Now either we let them lie, or we attempt to exploit them. Europeans would be wrong to neglect the enormous African potential, as the leading mining operators do." Coframines plans to invest 70 million francs in Zaire to produce a thousand tons of tin per year (10 percent of the French needs). Tin is a metal which, like copper, is entirely imported.

With limited means--some 100 million in investments out of its own funds in 1981--Coframines cannot rival the large international operators and the oil newcomers who are focusing their investments in the "sure" countries--the United States, Canada, Australia. The main field of action for Coframines remains Africa, although its activities are progressing in Latin America and in the southern part of Europe, from Portugal to Cyprus. Forced to work within this risk, Coframines must also face a difficult decision this year: the development of the second New Caledonian deposit, awaited now for years. "If we stay with the initial proposal for production of 20 to 30,000 tons, it is a matter of a 4 to 5 billion franc investment," Mr. Diethrich says. "And at a time when the recovery of the market, expected in 1983 or 1984, has been delayed by at least two years by the bad economic situation."

Taking Over

French producers of special steels will in any case find a new source of chromium, a "sensitive" ore, in New Caledonia. In association with Inco and Paribas, Coframines has taken over from Dong Trieu--which is limiting itself to uranium--to launch a mine which will produce 80,000 tons of excellent chromite over 5 years, which could replace the Iranian ore. This is short-term exploitation, but it should make the 70 million in investments more than profitable.

Coframines has also taken over from PUK in order to launch an unusual phosphate mine in Mataiva, a little island in the Tuamotus, in association with a Canadian producer and a small California oil concern. The deposit is located in several meters of water at the bottom of the lagoon, and it is probable that there are a number of similar ones in the Pacific atolls. The first dredging tests this year, costing 20 million francs, will determine the exploitation potential. The main obstacle may be one of an ecological sort. It is not necessarily easier to work in the DOM-TOM [Overseas Departments and Territories] than in the African countries.

5157

CSO: 3100

ARMENIAN TERRORISTS CLAIM RESPONSIBILITY FOR ATTACK

Paris LE FIGARO in French 14 Jan 81 p 10

[Article by Irina de Chikoff: "Some Armenians Who Haven't Forgotten"]

[Text] The Armenian Secret Liberation Army (ASLA) claimed responsibility for the attempt made yesterday at Boulogne-Billancourt on the life of a financial adviser of the Turkish Embassy in Paris. A booby-trapped grenade placed under his car exploded as the vehicle came up even with a bus stop. The explosion claimed no victims.

The ASLA commando who set this grenade invoked the name of a presumed Secret Army militant, Ara Alec Yenicomchian, who is presently being held in Geneva and who should come to trial before long. Elsewhere Suzy Masheredjian, arrested at the same time as Yenicomchian last 3 October after the explosion in their hotel room of a bomb which they had been handling, was sentenced yesterday by the Court of Summary Jurisdiction in the Canton of Geneva to 18 months' imprisonment with benefit of the First Offenders Act and 15 years' exclusion from Swiss territory for extortion of funds on behalf of the ASLA.

On 22 October 1975, France found out about Armenian terrorism. On that day the Turkish ambassadors in Vienna and Paris were assassinated and responsibility for their murders was claimed by the Justiciaries of Armenian Genocide.

Since then the Justiciaries, members of the ASLA, the New Armenian Resistance or the 3 October Movement, have multiplied their attacks, the toll of which in Europe has risen to 12 deaths in a little more than 4 years.

In France 300,000 nationals of Armenian origin form a community which is fully integrated into the country and which does not react to this terrorism as a monolithic bloc. Some deny its existence or condemn it. Others explain it or understand it. A minute minority approves of it, but no one, or almost no one, is indifferent to it, since it bases its actions on a platform common to all Armenians: recognition by the world in general, and by Turkey in particular, of the genocide of 1915.

Their names are Manouk, Dikran, Zaven, Garo or even simply Armand. They are a little older than 40. Their parents, like 80 percent of Armenians living in France, emigrated in 1921 and 1922. They are manufacturers of readymade clothing, restaurateurs, garage owners, physicians, lawyers, engineers and, for 70 percent of them, their wives are not Armenian.

Born in Paris, Lyon or Marseilles, the three major Armenian centers, they often know only a few words of their mother tongue. For them Armenia amounts to childhood stories. "It's a wound, perhaps," says Manouk, an engineer and butterfly collector, born in Paris 47 years ago, "or a dream in which I don't even believe."

Some scraps of tradition, however, cling to their everyday lives as persons with full-fledged French citizenship. The Gregorian Church, Armenian songs in their discotheque, a gift of time to one of the many Armenian cultural associations, ouzo for some, dolmans for others.

When they were young their friends were for the most part Armenians, since the parents lived largely among themselves, but time has passed, and they have all somewhat lost touch with each other.

Return To the Sources

"The Armenian nation?" Manouk shrugs.

"I am French," he says. "And then, what nation? The one which lives in Soviet Armenia or the one in diaspora?"

He shakes his head.

Armenian particularism and an Armenian outlook do exist, however. And youth, that of the third generation in exile, is searching for this difference.

"Returning to the sources is fashionable," explains Manouk. "Politics, too. The young Armenians are following the trend."

But for men like Manouk, this theme of returning to the sources concerns only a very few Armenians (perhaps 10 percent). Essentially those who emigrated from the Near East since the events in Lebanon.

"All the minorities are in ferment," explains Zaven, 43, who was born in Marseille and who retains its accent. "That makes bubbles on the surface." As for the majority of these minorities, they are scarcely stirring. This is one of the reasons why a number of Armenian nationals do not accept the term "Armenian terrorism". And some of them don't believe in it. They readily admit that there is a tiny extremist group in France itself and that a few Armenian desperados have let themselves be roped into the networks of international terrorism. But for them these militants are only the playthings, conscious or involuntary, of foreign powers which are exploiting the impact of the Armenian cause, with their sole objective being subversion.

For others, clergymen, officials of associations or directors of Armenian houses, so-called Areenian terrorism is pure provocation.

"Who benefits from the crimes?", they ask, casting doubt on the executioners' nationality. They condemn violence because they feel that in the long run it can only prejudice the Armenian cause.

Arpil Missakian also does not approve of violence. Since her father's death she has been heading the daily newspaper HARATCH in Paris. "I have often been asked," she says, "why I do not officially condemn Armenian terrorism. I do not support it," she specifies, "but I do not condemn it either, because I understand it."

For 60 years the Armenians have tried to gain recognition of the genocide of which they were victims in 1915 under the Ottoman Empire. "For 60 years," Arpik relates, "they have increased diplomatic measures. In vain. Even the Human Rights Commission did not deem it wise to remember this massacre. The young don't want to write any more memorandums, so they adopt the protest language of the century, namely, terrorism. "It may be regretted," she adds, "it cannot be denied."

Violence and Vengeance

On Rue Bleue in the 19th District, there are six of them around a table on schoolroom chairs. They represent the different activities of this Armenian center associated with the FRA Party, or Armenian Revolutionary Federation, founded in 1890 in Tblisi. A house of culture, two newspapers, the NOR SEROUND, a publication for FRA youth, and the COMMITTEE FOR DEFENSE OF THE ARMENIAN CAUSE, a propaganda organ.

They confidently classify the Armenian community in France into three categories: those who support Soviet Armenia, those who militate for or gravitate around the FRA, and those who prefer neutrality--in fact the overwhelming majority. A silent one. They also distinguish the lifestyles of this community: survival for the first emigres, integration for the second generation, reaction for them, the youngest.

"Violence," they say, "is the inevitable and natural reaction of frustrated youth. Before this violence is condemned, those who have aroused it must be condemned." The most rabid of them go so far as to deny France or Switzerland, where Armenian terrorists are being held, the right to try them as long as these countries fail to condemn Turkey and recognize the genocide.

Moreover, on Rue Bleue they do not talk about terrorists but fighters. An uneasiness, however, is filtering through over the recent evolution of Armenian terrorism. In its latest press conference in Beirut, the ASLA announced its union with the Kurdish Workers Party, of Marxist obedience, and declared war on the "symbols of imperialism and capitalism".

The president of the Armenian sports association in Issy-les-Moulineaux, Armand Zarpanelian, does not fumble for words in describing as imbeciles those who let themselves be enlisted for international terrorism through ideology. But he

defends with as much verve the young people who are fighting against the ancestral enemy: the Turk, the Ottoman. "It is a religious war," he says. "Extinguished for 60 years, it has been reborn, carried or stimulated by the conflicts which are setting the Near East ablaze." A French nationalist and an Armenian nationalist, he says, laughing, "I have two loves. I don't play politics," he adds, "but I admire everyone who is fighting for the Armenian cause."

At Issy-les-Moulineaux 4,000 or 5,000 Armenians have colored the community with their oriental grocery stores, their holidays, their songs, their soccer, their charity balls and their two churches, Gregorian and Evangelical. They feel at home there.

But the old people remember, and some young people dream of vengeance.

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POLL INDICATES STRONG RALLY FOR GOVERNMENT PARTIES

Reykjavik NEWS FROM ICELAND in English Feb 81 p 16

[Text]

Everyone seemed to be casting about for a plausible interpretation of a political poll released by *Dagbladið*, a Reykjavik daily noted for several phenomenally accurate election-eve forecasts in recent years.

Based on a sample of 600, its survey in early January found that popular support for the embattled coalition government of Gunnar Thoroddsen was running at a surprising 61.5%. That standing, in the wake of belt-tightening measures announced on New Year's Eve, amounted to a massive comeback since September.

A poll by *Dagbladið* at that time had given the cabinet a rating of just 41.2% — a huge drop in popular backing from early February, when the coalition was newly installed after a months-long government crisis. Back then, according to *Dagbladið*, the peculiar lineup was in favour among nearly 71% of the citizenry.

In analysis ignoring those expressing neither pro or con position, the daily's January poll showed a support level of virtually 3 to 1. Of the whole sample, almost 21% were opposed — while about 18% were undecided.

The government has a very slender parliamentary majority

in the 60-member Althing. All except a tiny handful of legislators in Premier Thoroddsen's Independence Party oppose his government, as do the Social Democrats. But it is supported by the Progressives and the leftist People's Alliance, whose ideology is as removed from the IP's as the Icelandic political spectrum allows, in conventional terms.

The editor-in-chief of *Dagbladið*, Jónas Kristjánsson, confessed that he was at a loss for a good explanation of the new findings. A few days after they were made public, he, in fact, challenged the readership to come up with credible theories "accounting for the extraordinary popularity of the government."

In issuing the invitation, he noted that the diverse Icelandic governments since the early 1960s, all of them coalitions, had been more or less equally unsuccessful — a reference primarily to lost ground on the inflation front. A host of analysts shared Kristjánsson's wonderment in the context of what happened here three years ago.

Then, drastic economic moves — made by an Independence-Progressive coalition headed by IP chairman Geir Hallgrímsson — touched off a furious labour reaction that spelled a doom for the government, after both par-

ties had suffered major election losses. Naturally, the point of the comparison was that Premier Thoroddsen's new policy package (NFI, Jan.) had much in common with what sealed the fate of his IP rival's cabinet in 1978.

Understandably, *Thjóðviljinn*, the organ of the People's Alliance, held no brief for that line of thinking — which seemed widespread, generally speaking. After all, an obvious difference between the two situations was that the PA was a coalition party now — while an overwhelming majority of the IP Althing caucus were in the parliamentary opposition.

Rife speculation continued about whether, or how long, rank-and-file union members would stay docile — even if many of their leaders remained faithful supporters of the Thoroddsen coalition.

Some comments volunteered by persons canvassed in the *Dagbladið* poll: It's fair to give the government a chance... At least the government is trying... I support the government wholeheartedly while no better choice exists... No better deal is available... I support the government but feel it hasn't done enough yet... I'm a loyal supporter of Premier Thoroddsen... The devil may take that government for all I care.

ENERGY-INTENSIVE INDUSTRIES HIT BY ELECTRICITY SHORTAGE

Reykjavik NEWS FROM ICELAND in English Feb 81 pp 1, 23

[Text]

Toward the end of last month, Iceland faced a major power shortage. It was on a scale that had no parallels since the start of notable energy-intensive developments, well over a decade ago. That turn of events was highly ironic — in the context of the lively public debate of this nation's vast hydro and geothermal potential.

The National Power Company, an equal partnership of the state and the city of Reykjavik, had just announced a new cutback in electricity sales to its energy-hungriest customers. Affected primarily were three power-intensive enterprises in SW-Iceland: a Swiss-owned aluminium smelter, a young ferrosilicon plant and a fertilizer factory.

Like NPC's earlier rationing moves, the step in late January followed from abnormally low water levels in Thórisvatn, a big inland lake in the central South that is the main reservoir for the utility's two largest hydro stations. After a long frigid and snowy spell, the surface of the lake was down by 3.4 metres from a year before.

Spokesmen for NPC described the power shortfall as 36.2% of total essential requirements in this season, or as 122.5 megawatts. Even with a first-phase startup of a new hydro plant by the target date, next November

1, much depends on what the level of Thórisvatn will be at that time.

The ferroalloy smelter — located near Akranes, across the bay from Reykjavik — was left idled by the worsening power crunch. As was explained by the company management, one of the two furnaces had already been shut down, and the immediate market outlook for the product was not particularly good anyway. It was foreseeable that the output rate of the aluminium plant would contract by some 40% because of the power rationing.

The NPC is the dominant power utility in this country. It operates several hydro stations, all found in the South, and plays a key role for what is rapidly becoming a true national electricity grid.

In the wake of recent developments, auxiliary diesel generators were run at full capacity on occasion in many localities — including Reykjavik, Keflavik Airport and Akureyri on the north coast. Understandably, the cost of the supplementary power output was sky-high in comparison with the hydro sources.

Part of the demand picture were expansions lately at the aluminium and ferroalloy smelters. So was the recent hookup of the NW-Iceland power distribution system to the main supply grid (NFI, November). A generating cutback by the utility

last fall was said to be roughly equivalent to the extra power needed by the two smelters because of their boosted capacity.

Additional rationing proved necessary by the beginning of January, and again before the end of the month. Spokesmen for the NPC emphasized that general users of electricity need not worry too much about impending power shortages. But they called for efforts to conserve energy.

If everything goes according to plan, the first turbine of the utility's new hydro station, at a site called Hrauneyjafoss, will be ready for operation in time to meet the peak-level demand in the cold-weather season of 1981-82.

Last winter, the NPC had to resort to a considerable cut in power deliveries to the energy-intensive industries. The same thing went for the Keflavik Airport area, where the U.S.-manned Iceland Defence Force is a major customer.

The aluminium reduction plant — near the town of Hafnarfjordur, a short distance from Reykjavik — accounts for roughly half of all hydro energy used in this country. Unlike all other important ventures in Iceland, it is foreign-controlled — by Swiss Aluminium (Alusuisse).

The long-term energy contract involving its local subsidiary, the Icelandic Aluminium Company, had been in the spotlight for several weeks. That stemmed from an insistent call for renegotiation of the deal, by Minister of Industry and Energy Hjordleifur Guttormsson (People's Alliance).

In announcing that the government would press for higher rates payable by the

multinational concern, last December, he cited evidence suggesting that it might have rigged prices for imported alumina, the smelter's feedstock, on a huge scale for many years (NFI, January).

While serving in a similar capacity in 1978, Guttormsson made overtures that he probably regrets now. He urged the NPC to reset the startup target for its new S-Iceland hydro project to the autumn of 1982, a year later than was envisaged by the utility. That proposal went unheeded, but was seized upon lately by the parliamentary opposition in the mounting debate of energy policies.

Apart from the controversy over long-term energy plans and the contract with Swiss Aluminium, the direct cause of the power shortfall was the weather in the southern interior during the past three years. Below-par temperature levels and low rainfall had shrunk the sustainable output of the generating stations.

But despite the general drop in the water flow, the NPC plants last October produced up to 430 megawatts — a level not far below the maximum feasible with the installed capacity.

Last December, a couple of welcome power developments were reported. A young regional heating service in SW-Iceland started up a turbine generating 6 megawatts of electricity — from the otherwise bothersome pressure of the geothermal steam tapped for the basic installation. And at Krafla in the North, the output of an ill-starred geothermal power plant had reached 11 megawatts — if this was just one-third of what was to be on line there long ago.

Aggregate NPC power sales in 1980 were reported as 2,250

gigawatt hours, up by more than 8% from the year before. The bulk of that increase resulted from additional requirements of the aluminium smelter. Utility sources say that the demand from the consumer grid will probably rise by around 130 gigawatt hours this year, while no new contractual obligations to power-intensive industries are envisioned for 1981.

As noted above, there is a very ironic angle to the present power crunch. For a very long time, the country's energy potential, both hydro and ~~illigible~~...

a favourite subject for Icelandic politicians all stripes. Such talk has good justification: just 5-8% of exploitable hydro sources have been harnessed thus far.

But actually Iceland's hydro potential is enormous merely in terms of a very small national population. It is roughly comparable with a quarter of the present electricity consumption in France. Aside from all that, domestic sources now, impressively, account for more than half of Iceland's total energy use.

The breakdown of the component so often pointed to with pride is 30% geothermal, overwhelmingly for space heating, and 22% hydro power. An even more striking illustration of recent energy progress is that some 67% of all Icelanders today live in geothermally heated housing.

The history of major power-intensive industries is brief in this country. Their share of the electricity generation in 1968 was just 15%, but the figure was up to at least four times that six years later. But that development remains controversial, at any rate in the context of foreign investment.

GRO HARLEM BRUNDTLAND SUCCEEDS NORDLI AS PRIME MINISTER

Brundtland Favored by Voters

Oslo AFTENPOSTEN in Norwegian 24 Jan 81 p 3

[Article by Egil Sundar]

[Text] Gro Harlem Brundtland is considerably stronger than any other candidate for the post of Labor Party chairman according to an opinion poll conducted by the Norwegian Opinion Institute for AFTENPOSTEN. At the same time the poll emphasized that Reiulf Steen's position is so weak--even among voters for his own party--that it will have to have some influence on the internal discussions that will take place prior to the Labor Party national congress to be held from 2 to 5 April. The outcome is an open question so far but the catastrophic decline in support for the party will strengthen the demand for new leadership. Leading party people say that an open battle for the chairmanship at the congress is inevitable unless steps are taken to find a solution that could unite the party.

"Which of the following candidates--listed in alphabetical order--would you rather see as chairman of the Labor Party after the party congress in April 1981?"

	Total	Labor
Brundtland	45	54
Gjerde	22	18
Rolf Hansen	8	6
Steen	12	19

The Norwegian Opinion Institute asked this question: "Which of the following candidates--listed in alphabetical order--would you rather see as chairman of the Labor Party after the national congress in April?"

Of those asked 45 percent said they preferred Gro Harlem Brundtland as chairman, 22 percent chose Bjartmar Gjerde, 8 percent Rolf Hansen and 12 percent Reiulf Steen, with 12 percent answering "don't know."

Among Labor Party people 54 percent supported Gro Harlem Brundtland for chairman, 18 percent preferred Bjartmar Gjerde, 6 percent Rolf Hansen and 19 percent Reiulf Steen with 4 percent unsure.

It is of special political interest that Gro Harlem Brundtland--according to the opinion poll--is especially popular among SV [Socialist-Left] people, with 55 percent replying they would rather see Brundtland as chairman of the Labor Party. She was also named by 38 percent of Conservative voters, 42 percent of Christian People's Party voters, 52 percent of Liberal voters, 49 percent of Center voters and 41 percent of those supporting "other parties."

Bjartmar Gjerde, with the backing of 18 percent of the Labor people, came in second to Rolf Hansen as least popular among SV voters. The responses here were 9 and 6 respectively for Gjerde and Hansen. Not at all surprisingly, of course, considering their moderate positions. Among Conservative supporters, 35 percent preferred Bjartmar Gjerde as Labor chairman. In comparison only 5 percent named Reiulf Steen. And of those who prefer the present chairman 9 percent are in the Christian People's Party, 20 percent in SV, 17 percent in the Liberal Party, 8 percent in the Center Party and 5 percent in other parties.

The opinion poll shows that substantially more women (54 percent) than men (35 percent) preferred Gro Harlem Brundtland as Labor chairman. The reverse is true for Bjartmar Gjerde and Reiulf Steen, 28 to 16 and 16 to 8 respectively.

If the responses are divided up according to age, the "candidates" mentioned received the following support:

Gro Harlem Brundtland: 43 percent of those under 30, 49 percent of those in the 30-59 category and 38 percent of those 60 and over.

Bjartmar Gjerde: 19 percent of those under 30, 24 percent of those 30 to 59 and 24 percent of those 60 and over.

Rolf Hansen: 7 percent of those under 30, 8 percent of those from 30 to 59 and 11 percent of those 60 and over.

Reiulf Steen: 16 percent of those under 30, 11 percent of those from 30 to 59 and 10 percent of those 60 and over.

Gro Harlem Brundtland has more support in cities than in thickly-settled and sparsely-settled areas with 51, 39 and 40 percent respectively. Bjartmar Gjerde's support is fairly evenly distributed: 21, 23 and 24 percent, while Reiulf Steen is weaker in urban areas than elsewhere: 10, 15 and 14 percent. Rolf Hansen's support is 8 percent in all areas.

In Oslo and Akershus, 72 percent in all preferred Gro Harlem Brundtland as Labor chairman, as did 58 percent in the rest of Ostlandet, 64 percent in Sorlandet and Vestlandet, and 46 percent in Trondelag and North Norway.

This is the support given to the other candidates in the same geographical areas:

Bjartmar Gjerde: 22, 25, 22 and 19 percent. Rolf Hansen: 10, 6, 7 and 11 percent. Reiulf Steen: 10, 14, 11 and 14 percent.

If we compare the results of the above poll with a survey conducted by the Norwegian Opinion Institute for AFTENPOSTEN last June on the question of Labor Party leadership it can be said first of all that Gro Harlem Brundtland has strengthened her position even further. According to the earlier opinion poll (AFTENPOSTEN's morning edition, 28 June 1980) 25 percent of those asked supported Harlem Brundtland both as party leader and as candidate for prime minister while 10 percent preferred the current chairman, Reiulf Steen. The assumption behind that survey was that the Labor chairman should also be the party's prime minister candidate and since Odvar Nordli had said he did not want to run for the party chairmanship his name was excluded for that reason. Later the central committee of the Labor Party with the backing of the party's Storting group decided that Nordli would be the Labor Party's prime minister candidate also in the upcoming Storting election.

The main conclusion one can draw from the latest survey is that broad groups of people regard Gro Harlem Brundtland as the strongest candidate for the chairmanship of the Labor Party. And even more important, Brundtland's candidacy has the support of over half the Labor voters at a time when--officially--she isn't even a candidate. That question will be decided by the election committee selected by the national congress. The only firm point at present is that the current chairman, Reiulf Steen, has declared himself ready to continue.

And even so, it must make an impression on the Labor Party--especially on party leaders--that Reiulf Steen is as weak as he apparently is. The loss of confidence that is occurring between the ruling party and the voters is also affecting the party chairman to a large extent. The gravity of the situation is further emphasized by the fact that only 19 percent of Labor voters want Steen to continue as chairman.

In the discussion of alternative candidates for the post many people will doubtless be struck by the fact that Bjartmar Gjerde did not make a better showing. For the ordinary voter Gro Harlem Brundtland dominates the picture.

When the Norwegian Opinion Institute asked if the choice of party chairman would have a large or small effect on the Labor Party's chances in the Storting election, 61 percent replied that it would have a large effect, 30 percent said it would have little effect. Among the party's own voters the replies were 65 and 27 percent respectively.

But an open conflict over the chairmanship issue would not benefit the Labor Party in the present situation. The Norwegian Opinion Institute asked the following question:

"Do you think it would strengthen or weaken the Labor Party's chances in the 1981 Storting election that some Labor newspapers have expressed a wish for a new party chairman?"

To this 52 percent answered that it would weaken the Labor Party's chances in the election while 33 percent had the opposite opinion. Among the party's own voters

the opinion is somewhat different: 45 percent thought the wish expressed for a new party chairman would weaken the Labor Party's chances in the election while 43 percent had the opposite opinion. It also appeared from the answers to this question that the idea of a change in the chairmanship has most support in the central areas of the country.

Party Divisions Weakened Nordli

Oslo AFTENPOSTEN in Norwegian 31 Jan 81 p 3

[Article by Kjell Harberg]

[Text] With the decision he was forced to make Prime Minister Odvar Nordli has opened up for a brief but dramatic struggle concerning who is to take over the political leadership of the Labor Party. In a period when the Labor leadership has exerted every effort to dampen and preferably to halt the increasingly destructive personality discussion in the party and when a decision had been made to proclaim Nordli as the prime minister candidate also in the future and Reiulf Steen had announced his continued candidacy for the chairmanship post, the effect aimed at was pouring oil on troubled waters. Now the debate will blaze up again for 3 hectic days until party organs reach a decision on who will take over the prime minister's position Tuesday morning. But that will lead to a new political conflict: should the new prime minister also succeed Reiulf Steen as party chairman?

Who will take over? Three names have come up constantly in the debate: the party's vice chairman. Gro Harlem Brundtland, Environmental Affairs Minister Rolf Hansen and former Oil and Energy Minister Bjartmar Gjerde.

In the current situation it seems clear that Gro Harlem Brundtland is the strongest candidate. It is undeniable that she has her enemies in the top circles of the party. But her popularity among voters is equally undeniable and even in leading Labor circles normally negative toward Brundtland as new party leader it is now said that the party couldn't find anyone better.

Rolf Hansen's name has been advanced on the grounds that he might have a unifying effect on the party for an "interim period," although he is not the man to bring on the offensive a ruling party with catastrophic declines in voter support. Even so those in leading political circles do not have complete confidence that Rolf Hansen would be the right prime minister in a very difficult situation for the Labor Party.

With respect to Bjartmar Gjerde--incidentally, he is traveling outside the country at this time--the general opinion both inside and outside the Labor Party is that he in fact "dealt himself out" of the discussion concerning the top post in the party with his controversial interview with ARBEIDERBLADET at the end of the year when he made statements that could only be regarded as highly critical of the

policy his own government had pursued and was still pursuing. This "withdrawal" was later confirmed--he was seeking the post of broadcasting chief.

[Words illegible] her position. The opinion poll APTENPOSTEN published last Saturday also confirmed, even allowing for any conceivable margin of error, that among Labor Party voters she is practically without competition when it comes to the question of who should be Labor Party chairman. Neither the present chairman, Reiulf Steen, nor the other two candidates whose names keep cropping up, Rolf Hansen and Bjartmar Gjerde, would have a hope of disputing Gro Harlem Brundtland's position in the ranks of the Labor Party itself.

The personality conflict in the Labor Party has been destructive and protracted. Meetings did not help cool things off after Tor Aspengren's sharp attack on the prime minister and the party chairman last year and the resolution passed by the national committee a short time ago saying that the personality debate was now closed did not help much either. And what the old LO [Norwegian Federation of Trade Unions] leader Tor Aspengren still thinks of the leadership of his party is quite evident from his recent conduct. He does not attend meetings of the central committee, although he is a member. Aspengren did not attend the meeting yesterday either.

The campaign against the current leadership has undoubtedly had a heavy effect on a prime minister who has had to battle with health problems for some time. Even if he could live with the fact that some of his party is dissatisfied with his leadership and wants him to resign, the prime minister would also have to contend with a problem of disloyalty. He has felt that party comrades were disloyal and that their disloyalty was being used as a weapon to bring him down.

Now that Prime Minister Odvar Nordli is forced to resign purely for health reasons it is quite clear that although everyone regrets the reason for it his action is fulfilling the strong desire of some people who have worked actively to get rid of both the chief of state and the party chairman. This activity in the form of actions against the current party leadership has been noted in cabinet circles as well as among the party leaders. To a large extent it has been directed against Reiulf Steen for the simple reason that it was calculated that Steen's resignation as party chairman would also make Nordli's resignation more likely. The division of the two jobs came as a result of the "package solution" at the 1975 Labor Congress when after a long and destructive internal party debate they arrived at the compromise of dividing the posts up between the two leading candidates.

After being told by his doctor on Wednesday that he should take at least 2 months off due to illness Nordli's goal was to carry out calm discussions in party organs concerning the effects of the decision he felt forced to make. But once again, as happened to Nordli on the three occasions when he made cabinet changes, other people called the shots. This time the "blow" came from the press office of his own party and Nordli reacted sharply. The condemnation of the Labor Press Office in the press release issued Thursday night was sharp in view of normal parliamentary language. And Nordli then gave his full support to the central committee's decision to remove the Labor Party representative from the committee

for the Labor Press Association. This tells us something about what party leaders think of the way their own press handled this matter.

Nordli Failed To Lead

Oslo AFTENPOSTEN in Norwegian 31 Jan 81 p 3

[Article by Elvind G. Karlsen]

[Text] Prime Minister Odvar Nordli will step down on Tuesday after 5 years of continuous service as head of the Labor Party's minority government. He got off to a good start, borne forward by the expectations of those who share his views as well as others who thought he had good qualifications for handling the job. But now Nordli has been knocked out by a lack of political success, a lack of loyalty even among those the prime minister thought he could rely on in his capacity as political leader of the labor movement, and by physical and mental wear and tear. He has taken a good share of the party's reverses on his own head.

Without malice it can be said that Odvar Nordli has had a feeble time of it as a leading politician in more than one sense. But in all honesty it should be added that to some extent this was his own fault.

For it is a fact that as prime minister Nordli has disappointed people both inside and outside the Labor Party and the union movement. Many were counting on a firmer and more secure political leadership under him than under Reulf Steen who was Nordli's competitor for the leadership post before the party congress in 1975 (as everyone knows it ended in the compromise of having Steen as the new chairman and Nordli as the prime minister candidate). Even so Nordli's political leadership has often been lacking. The lack of direction and coordination between the government and the party was clearly demonstrated during the municipal election campaign in 1979 when the one statement on the so-called "interest ceiling" in tax assessment knocked the other out.

Nordli made some strong moves in the area of tax policy when he stressed soon after he became prime minister that "now something must be done about progression" (as well as bureaucracy). But until the tax bill for 1981 was presented last fall not much was done about living up to these words.

And it is true that during Nordli's time as prime minister it was necessary to make a good many corrections in the economic policy laid out by the last Bratteli government--and to take the blame for the fact that people's income growth could not continue and that the so-called selective support measures for shaky industrial firms also had to be dropped. The mushrooming foreign borrowing--in the anticipation of increasing oil revenues--finally had to be halted. And now people don't understand why they can't get more direct benefit from the oil money, some of which has to be used to repay the debt in order to guarantee the nation's economy in the longer perspective. What could have been a trump card for the Labor Party, albeit an undeserved one, has instead become part of its encumbrances. And Odvar Nordli's.

The same thing applies to an excessive use of the party and party divisions as "democratic" bodies that are now given almost absolute authority even on vital national issues, including security policy. The point here is that Nordli, who has said himself that he feels like the delegate of a movement, has allowed this to go much too far because as prime minister he has failed to personally lead developments in the nation. And the Labor Party's internal NATO opposition has used Nordli's "indecision" to the hilt whether it concerned modernization of NATO's nuclear weapons in Europe in 1979 or the question of allied stockpiles in Norway last year. These have been the subject of some of the most serious complaints against him as head of the government.

Factors like these, the Labor Party's election defeat last year and the party's general lack of voter support since 1977--so that the Conservatives have now achieved equal strength--have constantly pointed up and at times reinforced the ruling party's unsolved leadership problems. The high point so far was reached last winter when former LO chairman Tor Aspengren said straight out that the leaders of the party and the government lacked "minimal political vision." And the demands for new leadership led last fall to the entire party leadership declaring its willingness to run for reelection at the national congress this spring while Nordli received the full support of the party and LO as candidate for prime minister in the September Storting election.

The last event happened only a month ago. Now the situation has suddenly been turned around--and the departing prime minister can do little else besides recommend a successor to the leading party organs and hope he will be allowed to present the same name to the King.

This marks the end of Odvar Nordli's physically impressive but politically somewhat debatable period as head of a minority government based on the Labor Party. His 5 years in such a difficult and exposed position may prove to be something of a "record" in modern Norwegian history.

After his sick leave Odvar Nordli will return to Storting where he has been an elected representative since 1961. He was born in Stange, Hedmark, in 1927, a district auditor by trade. Nordli was chairman of the Storting Social Affairs Committee when in 1971 he became minister of municipal affairs and labor in Trygve Bratteli's first government. From 1973-74 he was the Labor Party's parliamentary leader until he took over as prime minister in January 1976.

Party's Grass-Roots' Favorite

Oslo AFTENPOSTEN in Norwegian 2 Feb 81 p 3

[Text] Statements of support for Gro Harlem Brundtland from various Labor Party groups in all parts of the country. That was the most important news this week-end with regard to the question of who will succeed Prime Minister Odvar Nordli. But nothing has been decided, the contest will continue until a decision is reached by leading party organs on Tuesday. The local statements in favor of

Brundtland have a tactical explanation in view of the Storting election this fall. In the group of the six top leaders of the government, the Storting group, the party and LO where the matter is being discussed first, the mood was originally in favor of asking Environmental Affairs Minister Rolf Hansen to take on the job as head of the government. But it is being strongly emphasized in party districts that these people can hardly ignore the clear signals from the "grass roots" that the choice should fall on the party's vice chairman, Ms Brundtland.

The advice of the six leaders must be ready in time for the meetings of the central committee, the national committee and the Storting group on Tuesday.

The group of top leaders consists in addition to Prime Minister Nordli of the party chairman, cabinet member Reiulf Steen, the vice chairman, Storting representative Gro Harlem Brundtland, the chairman of the Storting group, Trygve Bratteli, LO chairman Tor Halvorsen and Labor Party secretary Ivar Leveraas. AFTENPOSTEN has learned that the six held their first meeting yesterday. According to Ms Brundtland outsiders would not be informed when and where it took place.

Even before the weekend it was being said that cabinet minister Rolf Hansen is the LO candidate as Nordli's successor and both Reiulf Steen and Nordli are said to share that opinion. But AFTENPOSTEN has learned that there are divided opinions in LO. Many of their people would like Brundtland to become head of the government. It is also part of the picture here that Rolf Hansen does not want the job--but on the other hand he would be unlikely to turn down a joint plea from the top leaders of the party and the labor movement.

The name of former Oil and Energy Minister Bjartmar Gjerde is still being mentioned in the discussion. The president of Storting, Guttorm Hansen, was also mentioned this weekend as one of the serious candidates for the prime minister post.

As we mentioned local Labor groups have issued a number of clear statements in favor of Gro Harlem Brundtland who is also chairman of the Storting Foreign Affairs and Constitutional Committee. The Trondheim United Labor Party committee unanimously recommended her as the new prime minister after having considered several candidates. They feel she would serve the interests of the party best in view of the Storting election in September--and that she will inspire deputies to make an effort.

The annual meeting of the Tromsø Labor Party held a vote as to who should succeed Nordli. There were 37 votes for Brundtland, 6 for Bjartmar Gjerde and 3 abstentions. No other candidates were nominated.

Several of the Labor Party's county women's committees have also supported the party's vice chairman. This is true of the women's committee in Hordaland, which supported a similar statement from the executive committee of the county women's committee in Buskerud, Vest-Agder and Rogaland. In the last county the ROGALAND AVIS conducted a survey of union and party deputies before the weekend. This also produced a solid majority for Brundtland. The others mentioned were Gjerde and Church and Education Minister Einar Forde. Gjerde is also supported by half

the committee members of the Sogn og Fjordane Labor Party while the rest favor Gro Harlem Brundtland as prime minister. The chairman of the Oppland Labor Party, Johan Nygaard, also supports her candidacy.

Even though several names have been put forth, informed party sources believe that in the final analysis the contest will be between Gro Harlem Brundtland's and Rolf Hansen's supporters. In this context many will take note of Prime Minister Nordli's radio statement Sunday that his successor should be strong and have a unifying effect on the party. There is reason to believe that cabinet minister Hansen would best fulfill the first requirement out of the leading contenders.

But there can be no doubt that the party's female vice chairman has the greatest appeal and would be the more unifying of the two. This factor will probably be given great weight when the central committee meets Tuesday at 0900 hours. The two supposedly strongest candidates for the prime minister job are thought to have fairly equal support in this body, but Ms Brundtland can probably muster a majority of supporters among the 37 members of the national committee. They will meet Tuesday at 1100 hours. Opinions are said to be more divided in the Storting group which will meet at 1300 hours.

The change in prime minister might lead to other cabinet changes. This will depend to a large extent on who takes over as new government leader and whether he or she is satisfied with the old group in the cabinet. If Rolf Hansen is chosen it will be necessary to fill his place in the Environmental Affairs Ministry. One argument against changing the composition of the government is the desire to cause as little unrest as possible in a situation with plenty of unrest left over from the past. Since Odvar Nordli formed his first government in January 1976 the cabinet has been reshuffled three times, at the beginning of 1978, after the 1979 municipal elections and most recently last fall. The only ones left from Nordli's original group are the minister of foreign affairs and the minister of fisheries.

Will the sudden resignation of the prime minister and the process that is now taking place have an effect on the Oslo Labor Party nominations? The nominating committee's unanimous proposal looks like this: 1. Labor Party chairman and Minister of Commerce Reulf Steen, 2. party vice chairman, Storting representative Gro Harlem Brundtland, 3. Oslo party chairman, Storting representative Thorbjorn Berntsen, 4. Minister of Consumer Affairs and Administration Sissel Ronbeck, 5. Foreign Minister Knut Frydenlund. However the discussions of this list have shown that a great many local party groups do not want Steen at the top of the Oslo list and the situation that has now arisen is not apt to strengthen his position in this respect.

It can also be mentioned that Rolf Hansen--and Bjartmar Gjerde, for that matter--turned down a place on the list when they were asked about it by nominating committee chairman Ivar Mathisen. Incidentally Mathisen seems a likely candidate for the job as election committee chairman during the upcoming national congress in Hamar.

From what AFTENPOSTEN has learned there is not much enthusiasm among members of the nominating committee for changing the list it presented, almost regardless of

the outcome of the meetings tomorrow. It would also be quite complicated to work things out all over again. The committee will hold a regular meeting in the middle of next week to consider the responses of local party groups. The final nominating meeting will take place on 26 February.

Will Continue Nordli Policies

Oslo AFTENPOSTEN in Norwegian 4 Feb 81 p 3

[Article by Kjell Harberg]

[Text] Gro Harlem Brundtland has set her first goal as prime minister--the Labor Party must win the fall election. There is little doubt in political circles that the prime minister shift, the renewal represented by Gro Harlem Brundtland's assumption of the post, will act like a vitamin injection on a tired and worn-down ruling party. But will it last? The general consensus is that it will not. It is really a question of the ruling party's policies. They don't appeal to the voters. It will take more than a change in prime minister to regain the many lost voters.

The Labor Party establishment did not get the prime minister it wanted this time. The ordinary voters, the delegate apparatus in local party organizations, stage-managed the selection of their candidate for the post of prime minister. For that reason it is expected that the Labor Party will get more wind in the Gallup sails in the next few months. But it is considerably more doubtful whether this will be enough to provide room for a free kick that would boost the party into the government again after the election.

The new prime minister and her cabinet will be continuing the policies of the Nordli government. Gro Harlem Brundtland made this clear herself. The group which with some changes will take its place in the cabinet council at the Castle will be working on the basis of the old government's long-range program and the Labor Party's working program. The voters have clearly indicated their view of these policies, especially in the past year. This political line has led the government party from one defeat to another.

Now that the post of prime minister has been filled the first stage in an intense struggle in the Labor Party is over. But the conflict will be carried to the national congress in early April and there the chairmanship will be at stake. Gro Harlem Brundtland thinks--and makes no secret of it--that the two positions should be handled by the same person. Without making it into a principle, as she says, she feels this is the most functional solution.

Now Reiulf Steen has hardly abandoned his fight to retain organizational leadership of the Labor Party. He has declared his candidacy for the post long ago. Gro Harlem Brundtland would not do so and in reply to a direct question at the press conference yesterday she said that this was not the right time or place to discuss such an issue. But no sooner had the new prime minister given her view

of having one person as both chairman and prime minister than the party chairman followed with his statement: the national congress should not be bound by advance statements. It must make its own decision on the matter.

First Victory for "Grass Roots"

The congress will undoubtedly do so. In the meantime it is the period of the "grass roots." These people feel that a definite victory has been won with the selection of Brundtland as prime minister instead of Rolf Hansen. There is no doubt that the new prime minister is just as strong in the party as a candidate for the chairmanship. Several opinion polls conducted for AFTENPOSTEN, published on 28 June last year and 24 January this year show such clear support for Gro Harlem Brundtland that there is no question of her superiority with regard to the current party chairman, for example.

A worn-out and ill Prime Minister Odvar Nordli will go on vacation starting today. But it says a lot about the situation in the ruling party concerning the personality conflict supposedly buried by the national council in Hamar before Christmas that they are seriously considering naming him vice chairman of the Storting group, despite the several months of sick leave he will be taking. The reason for this is quite simply that at least some of the group wants to prevent Reiulf Steen from getting this post. However Steen will probably take Gro Harlem Brundtland's place as chairman of the Storting Foreign Affairs Committee.

Of course this is a step in a somewhat more long-range tactical consideration on the part of the Labor Party's Storting group. They want to pave the way for Odvar Nordli to become parliamentary leader after the election whether his party is in power or in the opposition.

But in the meantime Gro Harlem Brundtland will lead the Labor Party going into the Storting election. Naturally the party has to profess optimism with the new political leadership and the new long-range program supposedly providing the political basis for a massive voter shift to the Labor Party. For a voter landslide will be needed to achieve the goal Gro Harlem Brundtland set herself as the nation's new prime minister, keeping ruling power in the hands of the Labor Party.

Maneuvered To Get Post

Oslo AFTENPOSTEN in Norwegian 4 Feb 81 p 3

[Article by Ottar Julsrud]

[Text] What qualities are required of the person chosen to save the Labor Party? Voter appeal and an unusually strong position with party organizations for these times are a plus, of course. The same applies to a capacity to work hard and a will that forces respect. But in the coming weeks and months we will see if that is all it takes to restore the effectiveness of the cabinet, subdue the personality conflict in the party and reverse the general lack of confidence in the leadership.

In the midst of all the festivities we should not forget that Gro Harlem Brundtland--Norway's first woman prime minister at 41--was not above the fray and does not assume the post with clean hands. She is one of those people who can look back on a series of skillful maneuvers in the power struggle that has characterized the Norwegian Labor Party for some time now.

Our new prime minister can point to a secure childhood in Framfylkingen. Later she helped found the Socialist Secondary Students' Association. The next item on her list of credits was participation in splitting up the old Socialist Students and forming the Labor Students in which incidentally there were a striking number of students with the same last names as cabinet members in various Gerhardsen governments.

And Gro Harlem Brundtland herself stresses her family background and the ballast she was given on her way by papa Gudmund (social affairs minister and defense minister under Gerhardsen) and mama Inga. In addition to purely political interests, one of the things she frequently mentions in this connection is self-confidence--the courage to take on tasks she feels qualified to handle.

Thus the Students' Association is one of the groups where our prime minister broke in her political baby shoes. Though without wearing out a single pair. She didn't really make much of an impression compared with the self-aware and progressive young women who dominated life in Dovre Hall in the late 1950's. It was there that she met her Arne Olav, incidentally.

What her fellow students may remember best from those days is the time she came to take a medical exam carrying the baby she was nursing. And after several more exams, some of them abroad, all passed with excellent marks, she went to the Oslo Health Council where she continued to work on nursing from a more theoretical point of view. Sex education and birth control information were also part of the work of the young assistant doctor. But most of her involvement at that time was with abortion on demand.

And Gro Harlem Brundtland could have sworn it was the proposed changes in the abortion law that Prime Minister Trygve Bratteli wanted to talk to her about when he called her in to see him one day in August 1974. But it was really to ask her if she would become minister of environmental affairs.

And the soft and green values undeniably got a very forceful spokeswoman when the question of--and conflict over--growth versus conservation came up at the cabinet level. And one cannot avoid mentioning in this context that the ambition level of ministry planning bureaucrats was not curtailed by cabinet minister Harlem Brundtland. Her belief in strong and detailed control seems unshaken.

It is often the case with people who don't get into active politics until they are older that there is not much breadth to their political knowledge. Those who have attended class in the political school of a party have a better opportunity to grasp more of the political agenda. The new prime minister acts with authority on environmental and social issues and is regarded as having acquired a reasonably good grasp of her last area of concentration in Storting, foreign affairs. But Storting colleagues say she is still weak in some other areas.

When Gro Harlem Brundtland moved over to Storting after the massive cabinet reshuffling in the fall of 1979 it was said that now she would start attending "prime minister's school." Some future historians may prefer to use the word "outmaneuvered." Her anonymity in Storting was striking at first. But her present status shows that she used this time in intense work to broaden her political horizon. And in traveling.

It is hard to believe that the vice chairman ever said no when a local group asked for a speaker in the last year and a half. And now it is quite obvious that she fared well in the party organization. And that she will probably manage to get a lot of doubters down off the wall. A lively and voluble representative of the Social Democratic center. By and large. She becomes strongly involved--often violently involved--and is quite temperamental. They are probably less concerned at the local level with the maneuvers she has pursued to gather support in as many party groups as possible. But such maneuvering can easily be at the expense of firmness and clear standpoints and that is why the central party organization did not entirely agree with the "grass roots" on the prime minister issue.

Now it is Reiulf Steen who is leaving the cabinet and can do a little more for the party--a few months before the national congress. The national congress, yes. When the vice chairman is asked now if the top positions should be united again and if she is a candidate for chairmanship she answers with a lot of words. Even more than usual. But they leave no doubt as to her ambitions.

Will Face Election Soon

Oslo AFTENPOSTEN in Norwegian 4 Feb 81 p 4

[Excerpts] "Our primary political task is to win the election and government power for the next 4 years," said new Prime Minister Gro Harlem Brundtland at the press conference she held yesterday, after she had been to the Castle where she was asked to form a government. Gro Harlem Brundtland said this task was simpler today than it would have been last week due to the clarification that has occurred concerning the people who will be leading the party in the future.

The new prime minister did not offer any new policies on behalf of her government but she did not hide the fact that the expectations of her as female prime minister are frightening at times. She did not wish to comment on her position on the Oslo Labor Party list for the fall election and the same was true of the question of whether she wanted to run as a candidate for chairmanship of the Labor Party before the national congress is held this spring in Hamar. But Harlem Brundtland did not conceal the fact that she had always thought the top posts in the Labor Party should be united and held by one person.

Gro Harlem Brundtland's meeting with the press lasted more than an hour and was awaited with great anticipation by a crowded room full of Norwegian and foreign press people.

Most of the questions concerned the choice of the new prime minister, the composition of the new cabinet and the future prospects of the Labor Party. But Gro Harlem Brundtland was also asked of course if it is a problem to be married to an active Conservative, what her family thought about the meeting with the King at the Castle, and this from a Swedish journalist: "Are you able to step aside and laugh at yourself?"

"Yes, but it's often good to get the help of my family or the press," she replied quickly.

It was otherwise quite clear that Gro Harlem Brundtland is well-prepared for her job as prime minister, unlike the way it was in 1974 when she was called in by Trygve Bratteli. She thought it was for a discussion of abortion legislation but instead out of the blue he offered her the post of environmental affairs minister.

Of the Alta affair Ms Harlem Brundtland said that her government would not adopt a new line with respect to what Storting has resolved on several previous occasions.

But she did not hide the fact that the new government will have to spend a lot of time on the Alta affair in the future.

Asked what issue would win the election for the Labor Party, Gro Harlem Brundtland answered that one slogan would be "work for everyone." This involves the right of women, the elderly and the handicapped to be able to work at a meaningful job, so that all people get a chance to make use of themselves.

One of the journalists wanted to know why Gro Harlem Brundtland had chosen a nonjurist and hospital administrator as justice minister. She answered that if the question was whether she had asked and been refused by jurists the answer was that the only person she had asked was Bjorn Skou. A nonjurist in the Ministry of Justice is a break with tradition and that was not really the intention. But the prime minister added that on several previous occasions she had asked herself why it was necessary to limit the selection of candidates for the Justice Ministry to people with a legal background.

Opposition's Views

Oslo AFTENPOSTEN in Norwegian 4 Feb 81 p 4

[Text] The appointment of Gro Harlem Brundtland will hardly lead to a political change of course and it will take more than a personnel shift for the ruling party to win the upcoming Storting election. That is the conclusion of comments made by the parliamentary leaders of the Conservative, Christian People's and Center parties and all three pointed out that it is primarily the Labor Party's policies that have led to a decline in voter support.

Conservative parliamentary leader Kare Willoch said the new prime minister is entitled to objectivity both from her own party and from the opposition.

But the important thing, he stressed, is the policy that will be pursued and whether the government can now unite on a line after the internal conflicts that took such a heavy toll on Odvar Nordli.

"I don't expect major policy changes," Willoch said. "The new prime minister has held decision-making posts herself as vice chairman during the formation of the policy pursued which has led to the problems and the conflicts we have now."

The Christian People's Party's parliamentary leader, Lars Korvald, thinks that Gro Harlem Brundtland as prime minister with some changes in the cabinet could give the Labor Party a much-needed boost.

"However the Labor Party is unlikely to change its policy and the new government must make many political decisions in the spring session. It will take a great deal for the party to regain a majority in the election. The new prime minister had better count on a brief period of power," said Korvald.

"Gro Harlem Brundtland undeniably has a good background for filling the demanding post of prime minister. In a political pressure situation the change could give the party some needed breathing space," said Johan J. Jakobsen, parliamentary leader of the Center Party.

"The shift does not involve any political change of course. Thus after a while the ruling party's policies and the effects of 8 years of Labor Party rule will be back in the spotlight again. It is primarily the policies of the Labor Party that have led to the loss of voter support," Jakobsen said.

6578

CSO: 3108

STORTING FINANCE COMMITTEE CHAIRMAN BERGE WANTS TAX CHANGES

Oslo ARBEIDERBLADET in Norwegian 22 Dec 80 p 6

[Article by Nils Ottar Ask]

[Text] In view of our present level of inflation, I believe that it will be necessary to have another tax adjustment, also in the national budget for 1982.

But if Kåre Willoch promises a reduction of the total tax level on behalf of a possible non-Socialist government, he is actually writing a check without cover.

The high-income groups cannot expect any salary increases next year. They have got their adjustment through the tax reduction.

Many of the negative reactions to next year's tax program are clearly without foundation.

The voters who believe that a non-Socialist government will lead us to an economic paradise will, if we get such a government, be rather disappointed.

The above statements were made by the chairman of the Storting finance committee, Gunnar Berge (Labor Party), in a talk with ARBEIDERBLADET, in which he summed up the budget negotiations of the fall.

Question: As chairman of the finance committee, you had the additional heavy responsibility of getting the government budget proposal through the Storting. How was it this year compared to earlier years?

Answer: Right afterwards, one probably feels that the last budget was the most difficult one. But despite the attempts at opposition against the budget proposal outside the Storting, I do not think that this budget gave us any greater difficulties than the others. That probably goes to prove that there is a reasonably good support in the Storting of the economic policy proposed by the government. I can safely state that the disagreement on the substance of the proposal was somewhat similar to the noise level at times applied on the part of the opposition. The opposition tried to create a distance which, in actual fact, does not exist. This applies especially to the central coalition parties which are largely on a line with the government even if they disagree somewhat on the distribution of the resources.

But common to all of the opposition parties when dealing with the budget is the fact that they cut down on quite a few items. But this is being wrapped up very well while they carry on an enormous campaign for the often minor increases they propose.

Question: Was this particularly noticeable this year, just before the election campaign?

Answer: Yes, I would say so. The last budget prior to an election leads to a greater need to define one's position. This applies to the different party groups as well as to individual persons. But, on the other hand, the opposition has to show a certain measure of sobriety. For they cannot entirely disregard the possibility that they may themselves be left with the responsibility. For that reason, there cannot be too much difference between the things they go in for in the opposition and the proposals they will be able to carry through if in government. But the voters who might believe that a non-Socialist government will lead us to some kind of economic paradise will, no doubt, come to experience some kind of day after if the non-Socialists take over. One need only look at Sweden and Great Britain what happened there when the non-Socialists took over.

Question: The oil revenues have certainly become integrated in our economy and to a much greater extent than was earlier considered right?

Answer: Indeed. The budget shows that we are using our oil revenues to a considerable extent. That also creates a transition pressure which we find it somewhat difficult to handle. There is no doubt that we are here faced with a problem. For we cannot use oil revenues which naturally will pull resources from the industries and other economic sectors and then try to neutralize this effect by keeping pouring in subsidies and grants. Granting oneself a higher standard of living as a result of the oil revenues is a problem the implications of which few have grasped sufficiently.

Question: But is it not the responsibility of the politicians to explain this to people?

Answer: Of course, it is. I shall readily admit that we are not too good at explaining this. Nor do we ourselves take the consequences of the things we know.

Question: How?

Answer: On the one hand, we are now using oil revenues to a considerable extent, while, on the other hand, we try to do as if these oil revenues do not exist or, at any rate, that they are without as big an effect on the economy as they really are. I believe, however, that the industrial report which has now been presented will contribute to a better clarification of these problems. In the same way, the long-term program which will be coming in March will be of great significance.

Question: The next year's budget introduces a shift from direct to more indirect taxation, the progression will become more moderate, and the indirect taxes will be increased. Is this a once-for-all change or the beginning of a further development?

Answer: I believe that we shall have to undertake more regular adjustments of the progressive tax rates in order to avoid an automatic and unintended tightening of the economy. This is because the high-income groups will try to compensate for the progression through big salary increases. This causes a higher rate of inflation without creating any real incomes equalization.

Question: Can we expect another adjustment already in the budget for 1983?

Answer: Considering the present rate of inflation, I believe that we shall have to do so. This is, moreover, something which the coming tax commission will probably have to look into.

Question: This budget was criticized for lacking a social profile in that the tax reduction rate became highest for high incomes?

Answer: As indicated in the premises for introducing the tax changes, the social profile can only be deduced from a comparison between the tax program and next year's incomes adjustment. If the adjustment does not get the low-income profile which we assume, the tax changes will be reevaluated. The high income groups have already through the tax reductions received their tax adjustment, whereas the reductions to be granted next year will have to benefit the lower income groups. That is why many of the negative reactions to the tax reforms clearly lack any foundation.

Question: But also in the Storting there was at first a widespread misunderstanding as to the implications of this to the different income levels next year. Quite a lot of the members believed that everybody would be getting 7,500 kroner, the figure the government used in its example?

Answer: Yes, I have to admit that even the Storting had problems understanding the content of the budget proposal when it was presented. I suppose that if we who work with it did not understand it correctly from the start it is not too strange that others would misunderstand it.

Question: Would it not have been possible to introduce an acceptable social profile without coupling the tax adjustment to the wage settlement?

Answer: Theoretically, it would have been possible. But it would, at the same time, mean an adjustment involving far bigger increases for all groups. It would cause a further increase in prices and costs and would, consequently, weaken our competitive power, causing the job situation to become uncertain. This is a very important aspect which must be taken into account when making a general evaluation of the tax program.

Question: The Conservative Party, the Center Party, and the Christian People's Party aim at forming a government together if, after the election, they have the majority in the Storting. What will be the difference between their economic policy and the one which the Labor Party and the government stand for?

Answer: What strikes one is the lack of coordination among the non-Socialist parties. If it was difficult before, it is today entirely impossible to see what a joint non-Socialist economic policy would mean. For it does not exist.

Question: But Willoch promises a lower total tax level with a non-Socialist government?

Answer: The Conservative Party will, of course, not find any support for something like that with the Center Party and the Christian People's Party. The Conservative Party states itself in its report on the budget that they are the only party advocating a reduction of the total tax level and thus also a reduction of the general consumption. If Willoch promises such tax reductions, it is tantamount to writing a check without cover.

What worries me if we get a non-Socialist government after the election is that they will not be able to agree on a joint policy. Such a government will become extremely weak and thus in a poor shape to solve the great challenges which we shall encounter in the economy over the next few years.

7162

CSO: 8139

POLL INDICATES SLIGHT DECLINE IN SUPPORT FOR STOCKPILING

Oslo AFTENPOSTEN in Norwegian 31 Jan 81 p 10

[Text] An opinion poll conducted by Norwegian Market Data in the last half of September--which was published as "This Week's Gallup" on 8 November--showed that opinions were strongly divided on stockpiling but that a bare majority supported it. To measure any changes that might have taken place on this issue just before it came up for debate in Storting another poll was taken in December. The main results of this latest survey showed that in December supporters and opponents of such stockpiling were about equally divided.

Both polls were taken with personal interviews of a nationwide selection of men and women over 15, a sample of around 1500 people in all each time. The questions asked were almost the same in both months:

September question: "There has been a discussion recently as to whether the United States should stockpile military materiel in Norway. Do you think Norway should say yes or no to this?"

December question: "The question of stockpiling American military materiel will now be up for debate in Storting. Do you think Norway should say yes or no to this stockpiling?"

The table below shows the total results from the two polls and the results divided up according to the sex of the respondent.

	September			December		
	Total	Men	Women	Total	Men	Women
Should say yes	42%	54%	29%	40%	50%	30%
Should say no	34	32	37	41	36	45
Don't know	24	14	34	19	14	25
Total	100%	100%	100%	100%	100%	100%

When one uses the results from such opinion polls to determine the opinion of the population as a whole one must always bear in mind that such things as accidental differences in the composition of the sample can lead to differences of several

percentage points from one poll to another. Therefore the results should not be regarded as precise figures--and we estimate that differences should be around five percentage points before we can say with reasonable certainty that a change has occurred in popular opinion.

The results above show that there were about as many people in favor of stockpiling in December as in September. But there are now more opposed--primarily because fewer people were undecided--so that now there are just about as many opponents as supporters. As in September we see that there is a majority against stockpiling among women and a majority for it among men.

When we divide the answers from the latest survey according to the political sympathies of the respondents we obtain the following divisions:

	Yes	No	Don't know	Total
Party favored:				
Labor	40	42	18	100
Socialist-Left	8	81	11	100
Conservative	66	18	16	100
Christian People's Party	36	37	27	100
Center	39	37	24	100
Liberal	31	54	15	100

Among Labor Party voters we found more supporters than in the last survey while we found more opponents among voters for other parties.

In the latest survey we also asked: "Did you have a different opinion earlier in the fall?" Only 5 percent replied in the affirmative to this, 83 percent said no and 12 percent weren't sure.

In both surveys the Norwegian Market Data interviewers asked the following question: "If it is decided to have the United States stockpile military materiel in Norway, where in the country do you think these stockpiles should be located?"

	All asked in:	
	September	December
North Norway	34%	32%
Trondelag	16	16
Southern Norway	4	4
Several different locations	15	16
Don't know	30	33
Total	100%	100%

Thus there has been no change in people's opinions on this matter. Among those who support stockpiling in Norway, 50 percent prefer North Norway, 22 percent Trondelag, 2 percent southern Norway, 20 percent several different sites while only 6 percent were unsure. (The September responses among this group were about the same.) The Norwegian Gallup Institute/Norwegian Market Data.

ORVIK TRACES DECLINE IN LABOR PARTY SECURITY CONCERN

Oslo AFTENPOSTEN in Norwegian 2 Feb 81 p 2

[Commentary by Nils Orvik]

[Text] Whatever one may think of the Labor Party it is still a party in motion. The deplorable thing is that it is a motion without direction, without clear goals that could give it something to steer by. The Labor Party is a party in panic in which the divided groups that outwardly present themselves as the "leadership" are willing to try any antic to stop the process of dissolution that is reducing yesterday's giant to an uninteresting self-obsessed middle-of-the-road party.

One of the most revealing examples is the Labor Party's position or, more accurately, its lack of a position on a Nordic nuclear-free zone. When Jens Evensen stood up on behalf of leftist groups on 8 October and demanded the party's support for what has been called the Kekkonen plan for short, the party's central leadership reacted in a sharply negative way. Foreign Minister Frydenlund (11 October 1980) found Evensen's proposal "very disappointing" and hinted at breach of trust. Party chairman Reiulf Steen also made critical remarks--not a very positive contribution, a sidetracking of the debate. Storting president Guttorm Hansen: "Evensen would have done better to resign from the party."

These statements were in complete and responsible accordance with earlier reactions on the part of the Norwegian authorities to President Kekkonen's attempt to include Nordic rejection of nuclear arms in treaty form. All governments, regardless of party affiliation, have clearly and definitely rejected all such attempts with the obvious argument that cooperating in a Nordic nuclear-free zone would undermine the reality and security value of the NATO guarantee and reduce membership to a merely symbolic affiliation. The NATO defense is based on deterrence in which mutual nuclear retaliation is still a vital component. Therefore the spontaneous rejection of Evensen's proposal was very well-grounded in actual conditions.

But only 6 weeks later came the final proof that the Labor Party is no longer what it used to be. In this short period of time party chairman Reiulf Steen had changed his mind completely. On 18 November he issued a strong recommendation of the proposal. Not only that, the plan for a Nordic nuclear-free zone would be included as a major item in the Labor Party's election program. Anyone who has

doubted the party chairman's authority in the past could now see who is the boss in the Labor Party. One after the other they tripped in over the center line, Frydenlund, Stoltenberg, even the party's security policy expert, J. J. Holst, all now support the plan in principle. Prime Minister Nordli included it in his New Year's speech: "We must be willing to put this nuclear-free status in treaty form..." They all attached various reservations. Some wanted it to include all of Europe, others the Kola peninsula, still others wanted broader cohesion, etc. This kind of Utopian daydreaming may have eased their somewhat battered professional consciences but the appendages will have no practical significance in future developments. The important thing is that the government party has now approved the plan in principle. This provides a basis for negotiations which with the new Finnish plan (see below) will mean driving on a one-way street under Finnish auspices, a process that once begun will be difficult for Norway to halt unilaterally.

Before looking at the new Finnish three-step plan let us make clear what it does not involve. In the first place a Nordic nuclear-free zone cannot remove the nuclear weapons that have never been here and could never be brought here because all political groups are determined to maintain the nuclear ban. This decision has been unshaken for more than 20 years and no attempt has even been made to change it. The reason why many of those who see western aid as a vital security policy necessity for future Norwegian security now oppose negotiations concerning a Nordic nuclear-free zone is that a concrete agreement must be regarded as an attempt to prevent other NATO countries from making use of the nuclear deterrent. A treaty on a Nordic nuclear-free zone is irreconcilable with the realities of NATO membership.

In 1957-1961 Norway made it clear that we do not want nuclear weapons on Norwegian territory. This was accepted and respected by the other member nations in spite of the fact that it would make a hypothetical help action complicated and difficult. In an agreement of the kind the Labor Party is now willing to negotiate on Norway would go beyond the national framework with a plan intended to prevent other NATO countries from using the nuclear deterrent as a means of guaranteeing their own national security. It would be one thing if there was any real prospect of Jens Evensen's speeches and demonstrations in front of Storting leading to disarmament of the entire western alliance, thus destroying any chance of a peace-preserving nuclear equality. (As you know they are not trying to influence the Soviet Union). Anyone should be able to see that this is pure wishful thinking. The other NATO lands will not allow their security policies to be influenced by resolutions passed by the Norwegian Communist Party, the Socialist-Left Party or the Labor Party. What will be achieved is a breach of the basic principle of nonintervention in the internal affairs of other countries which is a prerequisite for the functioning of the alliance. This principle also provides a basis for respecting Norway's base and nuclear-arms reservations. Instead of influencing others in a nuclear-free direction Norway will place itself outside, casting itself in a very unfortunate light.

Here we see yet another example of how a large and once responsible party can in the course of a few years be reduced to a flock of distracted chickens in which cackling roosters and hens run this way and that without any goal or purpose. The Labor Party is now demonstrating a total lack of responsibility or consistency.

At the same time as the party favors a negotiating plan that even in its starting position must be regarded as a blow to the very heart of NATO defense, the party leadership is trying to win support for the stockpiling of allied materiel in Trondelag. Even with such stockpiles an allied help action would be a very risky affair. It could lead to the loss of thousands of soldiers and irreplaceable materiel which might have been used to defend other NATO countries. How can one imagine that Norway's place on the list of priorities will be improved by an action led by the ruling party and directed against the mutual nuclear deterrent that has secured peace for 30 years and given meaning to the NATO cooperation--also for Norway.

It would be to underestimate Evensen and the many other socialists on the nuclear-free general staff who are leading the Norwegian part of this campaign to think that they are not aware of the contradictions and the risk that the nuclear-free zone campaign could lead to a real Norwegian isolation with respect to the other NATO countries. They know what they're doing. This is obvious when one looks more closely at the negotiation plan for a Nordic nuclear-free zone which the Labor Party has now approved and wishes to promote.

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CSO: 3108

SVALBARD GOVERNOR INCREASES AWARENESS OF USSR ACTIVITY

Oslo NORGES HANDELS OG SJOFARTSTIDENDE in Norwegian 30 Jan 81 pp 15, 16

[Article by Tor Husby]

[Text] Even though Norway is faced with superbureaucrats who know how to insist on every letter and comma in the Svalbard Treaty of 1920, who claim that it is Norway and not the Soviet Union that is exceeding the limits of the treaty and who are obviously trying to entice Norway into going along with a joint Norwegian-Soviet rule, competent Norwegian sources stress that developments are satisfactory with regard to maintaining Norwegian sovereignty.

In the last few years Svalbard has led to considerable Norwegian anxiety over Russian activity in the island group. Most ominous were the building of the helicopter base at Cape Heer--without Norwegian permission--and the stubborn tug-of-war over the examination of the Soviet flight recorder from the bomber that crashed on Hopen in 1978. But there have been a number of less vital issues. The famous issue of the wives, the episodes between SAS planes and Aeroflot helicopters at Longyear City, disagreement over conservation regulations, tax assessments, radio demands, to name a few.

Even though Norway is faced with superbureaucrats who know how to insist on every letter and comma in the Svalbard Treaty of 1920, who claim that it is Norway and not the Soviet Union that is exceeding the limits of the treaty and who are obviously trying to entice Norway into going along with a joint Norwegian-Soviet rule, competent Norwegian sources stress that developments are satisfactory with regard to maintaining Norwegian sovereignty. The Russians have never claimed that the Svalbard sovereignty terms are unclear and Norwegian authorities do not have the impression that there is widespread dissatisfaction abroad with Norway's administration of the island group.

In the last 10 years there has been a radical change in the governor's ability to implement Norwegian laws and regulations due to an increase in the size of the administrative apparatus and an improvement in its ability to function. For example at the beginning of this year the governor acquired a new Bell-212 helicopter with instrumentation allowing it to be flown after dark. With this he can

reach any spot on Svalbard at any time. The new helicopter represents another step forward in mobility in relation to the first helicopter acquired by Governor Leif Eldring in 1976. Before that time he and his nine predecessors in office had to rely on dog sleds and boats. The helicopter enabled him to visit the Russian consul in Barentsburg every week with an interpreter, policemen and other public officials. The governor visits Pyramiden, the other Russian mining community, often though not so regularly.

The visiting routine established by Eldring and his successor, Jan Grondahl, enabled them to resolve a relatively large number of problems. At the same time it gave the Norwegian authorities a very good picture of what is going on in the two Russian mining communities.

Norwegian Office in Barentsburg

The Norwegian presence in Barentsburg has been given a semipermanent status since last fall when Governor Grondahl set up a small Moelven hut at Finn Point, about 10 minutes away from Barentsburg. The state owns the land there but there was some friendly controversy over where the boundary goes. However the hut is there and the governor has talked the Russians into running in an electric line. Now he has asked them to level a spot in front of it so the helicopter can land there. Up to now he has landed in front of the consul's office. The Moelven hut will serve many functions for the governor and it is also well-situated for trips to Isfjorden.

When it comes to the five or six Russians in Longyear City there is no doubt that they are not there just to handle the lone Aeroflot plane coming in from Moscow once a month. The idea is to keep a watchful eye on the Norwegian community as well and to make sure Norway is not violating Article 9 of the Svalbard Treaty which prohibits military activity. Though Norwegian authorities view this activity with a certain stoic calm and even say it's a good thing the Russians don't have their eternal suspicions confirmed, one must assume that the Russians, true to form, also systematically gather any information they can get on Norwegians holding key positions on Svalbard, economic activity, technical devices, visits from western diplomats, etc. Last year it created justifiable concern when it was learned that the Russians in the airport tower were systematically photographing everyone who arrived in Longyear City on the SAS planes. But they no longer have an opportunity to do this since they had to move to the small hangar at the edge of the airport a few months ago when the Aviation Service needed the Aeroflot office in the tower for itself. But they do live in the Aviation Service town house complex in Longyear City.

Delay on Radio Demands

Over 2 years ago the Norwegian aviation authorities required direct radio contact between Russian helicopters on Svalbard and the airport tower. There has been no improvement so far and the Russians are still offering practical excuses for their failure to establish radio contact. The Norwegian authorities found it wrong that only the Aeroflot office at the airport can get in radio contact with the helicopters. In 1980 there was an episode involving an SAS plane and an Aeroflot helicopter, leading to the insistence on the part of the Norwegians. The

main thing that has happened is that the Russians now usually give notice 24 hours in advance covering the time, flight route and destination of each flight. The Norwegian authorities will not be satisfied until the radio tower has direct contact with the helicopters. At the moment they are viewing the problem seriously after a number of Norwegian objections and some unproductive meetings. The question is how long to go on accepting the practical Russian excuses for failing to meet the Norwegian demand, such as poor grasp of the English language. Therefore a number of steps are being evaluated that could improve the situation before flying activities pick up in the summer. They cannot understand why the Russians are not interested in appropriate regulations and wonder what they have in mind.

The Aeroflot helicopters on Svalbard have caused some waves otherwise. It has been discovered that they are landing illegally in natural conservation reserves and that an effort has been made to use them to inspect foreign scientific expeditions. But after Norway reacted strongly to such occurrences reports of this kind ceased. A few years ago we had the case of the helicopter accident which the Russians failed to report as required by law.

Tax Council Investigating Russians

Last November and December the Svalbard Tax Assessment Council approached the Russians concerning an adjustment of the tax level. Trust Arktikugol was asked for information on wage scales in connection with personal taxes as well as coal prices in the Soviet Union in order to calculate the duty on coal. The Russian reply was that there had been no change in the Soviet wage and price level since 1955. In the 25 years since then the Russians have paid a tax of 6 kroner a month per inhabitant in Barentsburg and Pyramiden. In the last assessment this tax amounted to roughly 162,000 kroner while Trust Arktikugol's income tax was around 48,000 kroner, its tax on assets was 7000 kroner and its coal duty was 254,000 kroner. Adding up to 473,000 kroner in all.

The Tax Assessment Council has tried to estimate the wage level of the Russians. But Trust Arktikugol has stated that wages are based largely on the natural household and employees don't get most of their pay until they return to the mainland. The coal duty is based on sales value. While Store Norske receives 300 kroner a ton for clean coal sold on the world market the Russians claim they get only 65 kroner a ton for uncleaned coal sold on the Murmansk area market.

In the 1970's about 40 percent of the land area of Svalbard was turned into nature preserves and national parks with special rules covering activities and traffic. Norway has introduced interim conservation laws for the rest of Svalbard. The Russians argue that they cannot accept regulations that were not presented to them and discussed with them in advance. But they have avoided a confrontation on this point. When Norway rejected joint Soviet-Norwegian rule the Soviet Union tried to get a foot in the back door. But that has also been rejected by the Norwegians. Consultations with the Russians before Norway takes administrative steps or prepares laws and regulations are totally unacceptable to Norway. This Russian desire first turned up during Trygve Lie's talks with Foreign Minister Molotov in Moscow in 1944 and has been regularly repeated orally by Soviet diplomats talking to Norwegian diplomats and civil servants. No written Soviet note on the subject exists.

System of Hearings

The system of hearings formally introduced on Svalbard in 1978 should not be seen as a Norwegian concession to the Russians on this issue. It simply reflects the fact that administrative rules apply to Svalbard too and that those directly affected by laws and regulations should have a chance to speak out within the time period allotted. Notice of hearings is sent out to all concession owners, not just the Russians. The first hearings held on Svalbard concerned hunting regulations.

In addition to the coal activity the Russian had around 40 scientists working on various expeditions in different locations on Svalbard in the summer of 1980. There is also some scientific activity in Barentsburg year round. During the spring the governor usually receives a list of scientific activities that will be carried out in the summer.

The Russians have about ten places staked out near Pyramiden and Barentsburg where potential new coal fields are located. They can hold onto these sites for 5 years without doing anything at all there but then they must start some kind of activity to prevent the concessions from becoming free, as it is called in current Svalbard terminology. For example the oil surveys made by the Russians and other nationalities at one time on Svalbard eventually ran out. The Russians have an oil drilling rig in Colsdalen but it is not now in operation.

Maintaining sovereignty is a concept that covers a broad spectrum. It is not just a question of running around and making sure that everything is done according to law and regulation. But it is equally important to invest in an active community with reasonable goals. And as we know Norway is counting on coal operations. Reliable communications are the next most important thing. A long step was taken in that direction when the airport was opened in August 1975. The next long step will be the establishment of satellite communications between Svalbard and the mainland on 1 April of this year. An offer has been made to connect the Russians with this satellite so they can call Moscow direct. They are very interested but they are also quite interested in the costs. They have also asked to have a telephone link between Barentsburg and Longyear City. Norway is expanding telecommunications on Svalbard generally. A reliable radio link connecting Longyear City and Svea would cost around 5 million kroner and a connection with Ny Alesund would cost the same. Now everything goes via regular radio transmissions which are subject to disturbances.

Allied Interest

But Norway does not stand alone in confronting the Soviet Union on Svalbard. Our allies are also very interested in what happens there. Since the middle of the 1970's Norway has had regular official consultations with Great Britain and the United States (separately) once a year under the auspices of the Foreign Ministry in order to orient them on Svalbard developments. From time to time Norway has also met with undersecretaries in the defense and foreign ministries.

The background for starting up the meetings was British and American reservations to the Norwegian view that Svalbard did not have its own shelf. This excluded the possibility that any oil activity off Svalbard could occur under the extremely liberal rules applying to commercial activities--including tax assessments. This made a deep impression on various oil companies in a period when oil was scarce, causing them to get in touch with their governments. By maintaining that the ocean area around Svalbard is part of the continental shelf around Norway, Norway wants to determine who is allowed to drill there--if any drilling is done at all. This decision must have been reinforced by security arguments. Bustling activity on the part of drilling rigs and supply ships in the Soviet Union's most sensitive strategic area would hardly contribute to Norway's goal of low tension in the northern regions.

In addition to the yearly meetings between Norway and our most important allies the western embassies in Oslo also keep up to date with what is happening on Svalbard and regularly go there. Incidentally this is a heavy burden on the governor. At the American Embassy, for example, there is always one person with direct Svalbard experience. Former ambassador Luis Lerner also went there. The Russians have not reacted to these trips. But they also make frequent trips from their embassy in Oslo to Svalbard. All in all there is a relatively large amount of traveling in connection with foreign policy issues. This may have been the main reason for the energetic Russian picture-taking from the airport tower.

Security Policy

Future developments will be determined to a large extent by foreign policy and security factors on the one hand and how the leadership that succeeds Brezhnev views the Soviet role in the world on the other hand. The importance of territories will always vary as basic technology and needs change. On this point developments up to 1980 have changed in more than one way.

What made the Svalbard region interesting was that World War II showed that it was possible to conduct a naval war in those waters, expansion east of Kola had opened up heavy shipping traffic, the Soviet fishing fleet was greatly expanded and the North Fleet was assigned to Murmansk. This has altered the naval importance of these waters.

Then there are other factors, such as the deployment of strategic missiles and nuclear submarines which place the waters in the spotlight. But it is hard to see that this makes Svalbard more exposed.

Besides, international relations on Svalbard have been set since 1920 and the civil-commercial presence of the Russians insures them permanent insight into what happens there. On the basis of this one can ask if they have a practical need to take Svalbard. This would inevitably bring them into conflict with the western powers.

No Foundling

Thus Svalbard ceased long ago to be a foundling for whom no one cared. One must assume that interest in the cold island group will continue in the foreseeable

future after so many years of laissez-faire. The Norwegians at least are prepared to administer the islands much more actively, as the above description indicates. In 1977 a Polar office was set up under the Justice Ministry and on 1 August 1978 it was upgraded to a separate Polar section which now coordinates the state responsibility on Svalbard. It administers the governor and presents the Svalbard budget. This year the income side was 12.9 million kroner (of which Trust Arktikugol contributed under a half million) and the expense side was 47.6 million. In addition the Polar section works hand in hand with the Foreign Ministry which draws up the foreign policy aspect of conditions there.

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ARMY, HOME GUARD EXERCISE IN OSLO STREETS

Oslo AFTENPOSTEN in Norwegian 21 Jan 81 p 44

[Article by Knut Falchenberg: "On a War Footing in Oslo and Vicinity"]

[Text] "Soldiers training in combat uniforms will be a more common sight in the Oslo area. And the population of the capital will see that the defense forces are nearby," said Lieutenant Colonel Rolf Stein to AFTENPOSTEN. He commands the nation's most central defensive unit, in which the soldiers have bazookas, but lack helmets. The unit's wartime staff has recently trained for the first time at full strength, together with a communications detachment. The exercise took place behind covered windows in a newly equipped command post "somewhere in the city."

During exercises the busy command post is manned by a varied collection of officers. Some are there voluntarily, others are called in for refresher training, while still others are full-time professionals. And while some of the staff officers come from the army, others belong to the home guard. In war they would together command the defense of Oslo, Asker, Baerum, Nesodden, and Oppegard.

Under its command this staff has thousands upon thousands of soldiers who can be mobilized. This is also a force with many peculiarities. On one hand the defenders of the capital are equipped with modern artillery. On the other hand several of the units are lacking helmets. The defense can boast of having the country's only ski company, and on short notice the shrimp trawlers can be mobilized in the inner Oslo Fjord. But there is a shortage of anti-tank rockets, and the anti-aircraft troops at Fornebu have had to build themselves some necessary additional equipment for important weapons.

Contribution of Free Time

While the HV [home guard] troops around Oslo are experiencing a lack of equipment, there is an effort to substitute enthusiasm and a "go-go" attitude. Even British NATO generals on inspection visits have been impressed by what these HV soldiers succeed in accomplishing with their meager means.

Lieutenant Colonel Rolf Stein said to AFTENPOSTEN, "If so many of our officers had not been willing to make a large contribution of their free time, we would not have a home guard." Last fall he served as a district commander of the HV in greater Oslo, with his headquarters at Lutvann. During peacetime he is responsible for 10,000 HV soldiers, of which almost 8,000 participate in exercises each year.

In the event of mobilization the situation will change somewhat. Then the HV commander at Lutvann will also have direct command over several thousand soldiers from the army, in addition to his own 10,000 HV soldiers.

To command these forces comprised of two branches of the defense in case of war, a joint staff will be set up. It is that staff which recently completed its first large-scale exercise. For the first time the officers had their own command post for peacetime exercises, and it is intended to exercise the staff yearly. In case of war Oslo's military commanders will be moved to a more secure location.

"How will the soldiers be able to defend the city when they can only train in the woods?"

"The fact that we do not train in our city environment is obviously a weakness," admitted Lieutenant Colonel Stein. "But some of these weaknesses will be corrected. My staff is now preparing a balanced exercise to be conducted in and around Oslo, and beginning next year it will be more common to see soldiers in the area of the city," said Stein.

"The background is that the soldiers need to acquaint themselves with their 'defense objects.' Today there are soldiers who have never closely studied the places in the city that they will defend in a crisis.

"Another factor is that the soldiers need to learn the techniques of combat in urban areas. It is quite different to fight in a city street than to fight in an open field. But in peacetime we can only train in 'city defense' on a small scale. Neither we nor the civil population want trenches in Frogner Park, or grenades going off around the city's playgrounds," said Stein.

Relations With the Population

"Moreover, it is important that the defense forces not isolate themselves from the population. If the population and the defense forces become strangers to each other, suspicions and misunderstandings can arise," said Lieutenant Colonel Stein. "To have a satisfactory relationship with the civil population we must be visible from time to time," he said.

Certain HV units in the Oslo area also desire larger-scale training than they have today. Such larger joint exercises are important to enable the units to work together. The total lack of training areas near the city makes such desires difficult to fulfill. Today the HV soldiers belonging to the Oslo area are trained mostly around Sessvoldmoen in Ovre Romerike.

The HV in greater Oslo is not powerless. In garages around the city there are a number of Chaffee tanks with 75 mm cannons from the last war. They are equipped

with bazookas from the last war, and will now receive the more modern short-range anti-tank weapon M-72. HV personnel will begin test firing it this year.

All units of the defense forces have advance orders which direct them to go into action immediately upon enemy invasion from air or sea. They will not wait for orders from above.

Photo caption: Lieutenant Martha Hunstad from Oslo and Ensign Kare Holme from Larvik of the joint staff keep a war diary during the exercise.

9287

CSO: 8139

NEW DEBATE FLARES UP OVER CONCEPT OF NEUTRALITY PROTECTION

Oslo AFTENPOSTEN in Norwegian 27 Jan 81 p 8

[Commentary by Lars Hellberg: "Swedish Neutrality Dispute"]

[Text] "Here in Sweden we must firmly fulfill our political security obligation to the Nordic countries." For an outside observer of Swedish politics this sentence, taken from the Falldin government's bill for the defense budget, seems like a banality. It is also the point of departure for a great debate between the government and the social democratic opposition over Swedish neutrality and security policies.

In the background there is the haunting confidential memo from a senior official of the Foreign Ministry, Cabinet Secretary Leif Leifland, who in plain language warned against continued undermining of the nation's defense capability. Leifland's warnings from the fall of 1979 have long been a thorn in the side of the social democrats, who to the amazement of many, believed and still believe that it is justifiable to reduce defense expenditures.

In a speech at Christmas Defense Minister Eric Kronmark summarized the government's opinion as follows:

"Continued undermining can, during the 1980's, lead to our reaching the limit where other countries will doubt our ability and our will to live up to our armed neutrality. If we cross that limit there is a danger that the superpower blocs will try to compensate for the lack of Swedish defense capability by increasing their presence around our borders, and increased tensions will result."

In that speech, which attracted surprisingly little attention, the defense minister expressed the same fear that Leifland expressed even more sharply in his memo, which became public knowledge through a leak. There is no doubt that the government takes Leifland's warnings seriously, and is using his writings as a basis for defense policy.

When the social democrats last year narrowly won a majority for their proposition to reduce the defense appropriation, the government promptly replied by sending a new bill to the Riksdag to restore the appropriation to that level which the government believed must be maintained in view of the country's security and political credibility.

In this round the opposition is diligently avoiding taking up the debate. Instead they are focusing on the sentence quoted at the beginning, which they say "can be interpreted to mean that there is a definite demand for our security policies which we should be obliged to fulfill" as former Defense Minister Eric Holmqvist expressed it.

The complaint that the government is turning over to the surrounding world the job of defining the duties required of Sweden by neutrality, is as serious as any complaint which has been lodged in Swedish society. No less serious is what the social democrats are clearly saying, that the government tempts "the outside world," meaning the superpowers, to "define our obligations to the Nordic countries." Or that "other countries, not ourselves, are going to interpret the meaning of our neutrality policy."

The government categorically denies that there is any question of a change in the country's neutrality and security policies. But permanent secretary Sven Hirdman in the Defense Ministry points out that "against the background of the increasing politico-military activity in the Nordic area it is natural that we now more completely and precisely than before formulate our security-political role."

There is the rub. The reality is that Sweden, as a direct result of the continued weakening of the country's defenses throughout the 1970's, is now in the focus of interest of the outside world. In the longer-range, this frightening interest in the country's defense capability is a threat to the Nordic balance. No dispute over words can hide the fact that here is where the real problem of the great debate over the contents of the security and neutrality policies lies.

The defense minister claims that Sweden has "a respectable defense," but it is just as clear that the government is afraid that its credibility is threatened by social democratic extravagance at the expense of the defense.

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